
State: Arkansas **Filing Company:** Farmers Union Mutual Insurance Co
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 0064 HO 2 Rate Change/0064 HO RA

Filing at a Glance

Company: Farmers Union Mutual Insurance Co
Product Name: Homeowners
State: Arkansas
TOI: 04.0 Homeowners
Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Filing Type: Rate
Date Submitted: 05/09/2014
SERFF Tr Num: MUOF-129534481
SERFF Status: Closed-Filed
State Tr Num:
State Status:
Co Tr Num: 0064 03-14-10

Effective Date: 06/01/2014
Requested (New):
Effective Date: 06/01/2014
Requested (Renewal):
Author(s): Sue Quimby
Reviewer(s): Becky Harrington (primary)
Disposition Date: 05/22/2014
Disposition Status: Filed
Effective Date (New):
Effective Date (Renewal):

State Filing Description:

State: Arkansas **Filing Company:** Farmers Union Mutual Insurance Co
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 0064 HO 2 Rate Change/0064 HO RA

General Information

Project Name: 0064 HO 2 Rate Change Status of Filing in Domicile: Pending
Project Number: 0064 HO RA Domicile Status Comments: Arkansas is domicile state.
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 05/22/2014
State Status Changed: Deemer Date:
Created By: Sue Quimby Submitted By: Sue Quimby
Corresponding Filing Tracking Number:

Filing Description:

Farmers Union Mutual is filing a rate increase for their Homeowners Form 2 business. See Supporting Documentation tab for Exhibits outlining indicated change.

Company and Contact

Filing Contact Information

Sue Quimby, Director Client Services squimby@msonet.com
139 Harristown Rd. 201-447-6900 [Phone]
Glen Rock, NJ 07452 201-447-9468 [FAX]

Filing Company Information

Farmers Union Mutual Insurance Co CoCode: 37613 State of Domicile: Arkansas
2215 North Reynolds RD Group Code: Company Type:
Bryant, AR 72022-2533 Group Name: State ID Number:
(501) 847-1518 ext. [Phone] FEIN Number: 71-0055000

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: \$50 per filing for rates.
Per Company: No

Company	Amount	Date Processed	Transaction #
Farmers Union Mutual Insurance Co	\$50.00	05/09/2014	82101348

State:	Arkansas	Filing Company:	Farmers Union Mutual Insurance Co
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Homeowners		
Project Name/Number:	0064 HO 2 Rate Change/0064 HO RA		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	05/22/2014	05/22/2014

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	05/20/2014	05/20/2014
Pending Industry Response	Becky Harrington	05/14/2014	05/14/2014

Response Letters

Responded By	Created On	Date Submitted
Sue Quimby	05/21/2014	05/21/2014
Sue Quimby	05/19/2014	05/19/2014

State:	Arkansas	Filing Company:	Farmers Union Mutual Insurance Co
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Homeowners		
Project Name/Number:	0064 HO 2 Rate Change/0064 HO RA		

Disposition

Disposition Date: 05/22/2014

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Arkansas Code Annotated §23- 67-211(a)(1) requires every authorized insurer to file with the Commissioner all rates and supplementary rate information and all changes and amendments made by it for use in this State at least twenty (20) days before they become effective. Your filing was completed on 5/21/14 and cannot be effective for 20 days after that date.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Farmers Union Mutual Insurance Co	69.200%	25.000%				25.000%	%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)	Filed	Yes
Supporting Document (revised)	H-1 Homeowners Abstract	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	Filing Authorization	Filed	Yes
Supporting Document	Explanatory Memorandum	Filed	Yes
Supporting Document	Filing Exhibit I	Filed	Yes
Supporting Document	Filing Exhibit II	Filed	Yes
Supporting Document	Filing Exhibit III	Filed	Yes
Supporting Document	Filing Exhibit IV	Filed	Yes
Supporting Document	Filing Exhibit V	Filed	Yes
Supporting Document	Filing Exhibit VI	Filed	Yes
Supporting Document	Filing Exhibit VI		Yes

State:	Arkansas	Filing Company:	Farmers Union Mutual Insurance Co
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Homeowners		
Project Name/Number:	0064 HO 2 Rate Change/0064 HO RA		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	H-1 Homeowners Abstract		Yes
Supporting Document	HO 2 rate pages 25% increase	Filed	Yes
Rate	Rate Pages		Yes

State: Arkansas **Filing Company:** Farmers Union Mutual Insurance Co
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 0064 HO 2 Rate Change/0064 HO RA

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/20/2014
Submitted Date	05/20/2014
Respond By Date	

Dear Sue Quimby,

Introduction:

This will acknowledge receipt of the recent response.

The requested rate increase has been reviewed by the Commissioner.

Objection 1

Comments: Please amend the requested increase to 25%.

Please provide revised manual pages and effective dates.

Conclusion:

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

State: Arkansas **Filing Company:** Farmers Union Mutual Insurance Co
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 0064 HO 2 Rate Change/0064 HO RA

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/14/2014
Submitted Date	05/14/2014
Respond By Date	

Dear Sue Quimby,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- H-1 Homeowners Abstract (Supporting Document)

Comments: The attachment is blank.

Objection 2

- NAIC loss cost data entry document (Supporting Document)

Comments: Please provide policy count information in the 5-year history section.

Objection 3

- Filing Exhibit VI (Supporting Document)

Comments: AR is not allowing modeling of CAT losses for rate indications. Please use historical loss information for the CAT load.

Conclusion:

NOTICE regarding, corrections to filings and scrivener's Errors:

Arkansas does not allow the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

State:	Arkansas	Filing Company:	Farmers Union Mutual Insurance Co
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Homeowners		
Project Name/Number:	0064 HO 2 Rate Change/0064 HO RA		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/21/2014
Submitted Date	05/21/2014

Dear Becky Harrington,

Introduction:

This is in response to your Objection Letter dated 5/20/2014.

Response 1

Comments:

We hereby amend our rate increase to 25%. The rate pages exhibit has been added to Supporting Documentation.

Related Objection 1

Comments: Please amend the requested increase to 25%.

Please provide revised manual pages and effective dates.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	HO 2 rate pages 25% increase
Comments:	
Attachment(s):	FUMIC HO2 Rates rev 5 21 25%.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your assistance. Please contact us if you require further information.

Sincerely,

Sue Quimby

State:	Arkansas	Filing Company:	Farmers Union Mutual Insurance Co
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Homeowners		
Project Name/Number:	0064 HO 2 Rate Change/0064 HO RA		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/19/2014
Submitted Date	05/19/2014

Dear Becky Harrington,

Introduction:

This is in response to your objection of May 14, 2014. The requested information has been added to the Supporting Documents as follows:

Response 1

Comments:

Correct completed version attached.

Related Objection 1

Applies To:

- H-1 Homeowners Abstract (Supporting Document)

Comments: The attachment is blank.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	H-1 Homeowners Abstract
Comments:	
Attachment(s):	AID Form H-1 0064 03 14 10.pdf
Previous Version	
Satisfied - Item:	H-1 Homeowners Abstract
Comments:	
Attachment(s):	H-1 ed1-06.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

State:	Arkansas	Filing Company:	Farmers Union Mutual Insurance Co
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Homeowners		
Project Name/Number:	0064 HO 2 Rate Change/0064 HO RA		

Policy count info added. As discussed, no data is available for 2009 due to a system change.

Related Objection 2

Applies To:

- NAIC loss cost data entry document (Supporting Document)

Comments: Please provide policy count information in the 5-year history section.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	0064 03 14 10 Loss Cost Data Entry Form revised.pdf
<i>Previous Version</i>	
Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	0064 03 14 10 Loss Cost Data Entry Form.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments:

Revised exhibit attached: Pages P1 and P3 are corrected as requested.

P1 this is the rate indication exhibit revised to include actual CAT losses and exclude the CAT model results.

P3 this is incurred loss calculation exhibit revised to include actual CAT losses (which were excluded before).

Related Objection 3

Applies To:

- Filing Exhibit VI (Supporting Document)

Comments: AR is not allowing modeling of CAT losses for rate indications. Please use historical loss information for the CAT load.

Changed Items:

State:	Arkansas	Filing Company:	Farmers Union Mutual Insurance Co
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Homeowners		
Project Name/Number:	0064 HO 2 Rate Change/0064 HO RA		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Filing Exhibit VI
Comments:	
Attachment(s):	Filing Exhibit VI revised.pdf
Previous Version	
Satisfied - Item:	Filing Exhibit VI
Comments:	
Attachment(s):	Filing Exhibit VI.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your assistance with this filing. Please contact us if you require further information.

Sincerely,

Sue Quimby

State:	Arkansas	Filing Company:	Farmers Union Mutual Insurance Co
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Homeowners		
Project Name/Number:	0064 HO 2 Rate Change/0064 HO RA		

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 30.000%

Effective Date of Last Rate Revision:

Filing Method of Last Filing: none

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Farmers Union Mutual Insurance Co	69.200%	30.000%				30.000%	%

State:	Arkansas	Filing Company:	Farmers Union Mutual Insurance Co
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Homeowners		
Project Name/Number:	0064 HO 2 Rate Change/0064 HO RA		

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Rate Pages		Replacement		0064 03 14 10 rate pages.pdf

Farmers Union Mutual Insurance Company

Base Rates - HO2 Policies = Current Base Rates +30%
 \$500 Deductible base - 5% credit for \$1,000 deductible
 Proposed Effective Date: June 1, 2014

Dwelling Coverage	Protection Class									
	1	2	3	4	5	6	7	8	9	10
A										
50,000	482	482	482	482	508	536	625	735	771	926
51,000	494	494	494	494	521	549	640	753	790	949
52,000	506	506	506	506	533	562	655	770	809	970
53,000	517	517	517	517	546	575	671	787	826	991
54,000	528	528	528	528	556	586	686	806	846	1,015
55,000	541	541	541	541	571	601	701	824	866	1,039
56,000	554	554	554	554	584	615	718	842	884	1,061
57,000	566	566	566	566	597	628	733	861	904	1,084
58,000	576	576	576	576	607	640	749	880	924	1,109
59,000	589	589	589	589	621	654	764	900	945	1,134
60,000	602	602	602	602	634	668	781	918	963	1,156
61,000	611	611	611	611	645	679	793	932	979	1,175
62,000	620	620	620	620	655	689	805	945	992	1,191
63,000	628	628	628	628	663	698	815	958	1,006	1,208
64,000	637	637	637	637	672	707	828	970	1,018	1,222
65,000	645	645	645	645	680	716	839	983	1,032	1,239
66,000	653	653	653	653	689	725	849	995	1,044	1,253
67,000	662	662	662	662	699	736	861	1,006	1,057	1,269
68,000	671	671	671	671	707	745	872	1,019	1,070	1,284
69,000	677	677	677	677	715	753	883	1,030	1,082	1,297
70,000	685	685	685	685	724	762	893	1,041	1,093	1,312
71,000	694	694	694	694	732	771	904	1,054	1,108	1,329
72,000	702	702	702	702	741	780	915	1,065	1,118	1,342
73,000	710	710	710	710	750	789	926	1,076	1,130	1,356
74,000	718	718	718	718	757	797	936	1,089	1,144	1,373
75,000	725	725	725	725	766	806	946	1,100	1,154	1,386
76,000	732	732	732	732	774	814	958	1,110	1,166	1,399
77,000	742	742	742	742	783	824	969	1,122	1,178	1,413
78,000	749	749	749	749	790	832	979	1,134	1,191	1,429
79,000	757	757	757	757	800	841	988	1,144	1,201	1,442
80,000	764	764	764	764	806	849	1,000	1,156	1,213	1,456
81,000	771	771	771	771	814	857	1,010	1,165	1,223	1,468
82,000	780	780	780	780	824	867	1,019	1,175	1,234	1,481
83,000	788	788	788	788	831	875	1,030	1,188	1,248	1,498
84,000	794	794	794	794	839	883	1,039	1,197	1,257	1,508
85,000	800	800	800	800	844	888	1,048	1,206	1,266	1,520
86,000	806	806	806	806	852	896	1,058	1,218	1,279	1,535
87,000	814	814	814	814	858	904	1,067	1,229	1,290	1,547
88,000	822	822	822	822	867	913	1,078	1,238	1,300	1,560
89,000	827	827	827	827	874	919	1,084	1,249	1,312	1,574
90,000	833	833	833	833	879	926	1,095	1,258	1,321	1,585

Farmers Union Mutual Insurance Company

Base Rates - HO2 Policies = Current Base Rates +30%

\$500 Deductible base - 5% credit for \$1,000 deductible

Proposed Effective Date: June 1, 2014

Dwelling Coverage A	Protection Class									
	1	2	3	4	5	6	7	8	9	10
173,000	1,474	1,474	1,474	1,474	1,556	1,637	1,938	2,196	2,306	2,768
174,000	1,479	1,479	1,479	1,479	1,561	1,643	1,945	2,205	2,314	2,777
175,000	1,485	1,485	1,485	1,485	1,568	1,650	1,953	2,213	2,323	2,787
176,000	1,490	1,490	1,490	1,490	1,573	1,656	1,959	2,220	2,332	2,799
177,000	1,495	1,495	1,495	1,495	1,578	1,661	1,967	2,228	2,340	2,808
178,000	1,502	1,502	1,502	1,502	1,585	1,668	1,973	2,237	2,349	2,818
179,000	1,507	1,507	1,507	1,507	1,590	1,673	1,981	2,245	2,357	2,829
180,000	1,512	1,512	1,512	1,512	1,595	1,680	1,988	2,253	2,366	2,839
181,000	1,517	1,517	1,517	1,517	1,600	1,686	1,994	2,261	2,374	2,848
182,000	1,522	1,522	1,522	1,522	1,607	1,691	2,002	2,269	2,382	2,857
183,000	1,529	1,529	1,529	1,529	1,612	1,698	2,009	2,276	2,391	2,869
184,000	1,534	1,534	1,534	1,534	1,619	1,703	2,016	2,284	2,399	2,878
185,000	1,539	1,539	1,539	1,539	1,624	1,710	2,023	2,292	2,406	2,887
186,000	1,544	1,544	1,544	1,544	1,629	1,715	2,029	2,300	2,414	2,896
187,000	1,550	1,550	1,550	1,550	1,634	1,721	2,036	2,308	2,423	2,908
188,000	1,554	1,554	1,554	1,554	1,641	1,726	2,044	2,315	2,431	2,917
189,000	1,559	1,559	1,559	1,559	1,646	1,733	2,050	2,323	2,440	2,928
190,000	1,564	1,564	1,564	1,564	1,651	1,738	2,057	2,331	2,448	2,938
191,000	1,569	1,569	1,569	1,569	1,656	1,743	2,063	2,339	2,456	2,947
192,000	1,574	1,574	1,574	1,574	1,661	1,749	2,070	2,347	2,464	2,956
193,000	1,578	1,578	1,578	1,578	1,667	1,755	2,076	2,353	2,471	2,965
194,000	1,583	1,583	1,583	1,583	1,672	1,760	2,083	2,361	2,479	2,974
195,000	1,589	1,589	1,589	1,589	1,677	1,765	2,089	2,369	2,487	2,985
196,000	1,594	1,594	1,594	1,594	1,682	1,771	2,096	2,376	2,495	2,994
198,000	1,603	1,603	1,603	1,603	1,693	1,782	2,109	2,391	2,510	3,012
200,000	1,613	1,613	1,613	1,613	1,703	1,793	2,122	2,405	2,526	3,032

Farmers Union Mutual Insurance Company

Base Rates - HO2 Policies = Current Base Rates +30%
 \$500 Deductible base - 5% credit for \$1,000 deductible
 Proposed Effective Date: June 1, 2014

Dwelling Coverage	Protection Class									
	1	2	3	4	5	6	7	8	9	10
A										
132,000	1,179	1,179	1,179	1,179	1,244	1,309	1,554	1,762	1,850	2,220
133,000	1,187	1,187	1,187	1,187	1,253	1,320	1,565	1,775	1,863	2,236
134,000	1,196	1,196	1,196	1,196	1,264	1,329	1,577	1,788	1,877	2,253
135,000	1,205	1,205	1,205	1,205	1,273	1,339	1,589	1,801	1,890	2,269
136,000	1,214	1,214	1,214	1,214	1,282	1,349	1,600	1,814	1,905	2,285
137,000	1,223	1,223	1,223	1,223	1,291	1,359	1,611	1,827	1,918	2,301
138,000	1,231	1,231	1,231	1,231	1,301	1,369	1,622	1,840	1,932	2,318
139,000	1,240	1,240	1,240	1,240	1,310	1,378	1,633	1,853	1,945	2,334
140,000	1,249	1,249	1,249	1,249	1,320	1,388	1,645	1,866	1,959	2,350
141,000	1,258	1,258	1,258	1,258	1,329	1,399	1,656	1,879	1,972	2,366
142,000	1,268	1,268	1,268	1,268	1,338	1,408	1,668	1,892	1,985	2,382
143,000	1,275	1,275	1,275	1,275	1,348	1,418	1,678	1,903	1,999	2,400
144,000	1,284	1,284	1,284	1,284	1,357	1,427	1,690	1,916	2,012	2,415
145,000	1,294	1,294	1,294	1,294	1,366	1,438	1,702	1,929	2,025	2,431
146,000	1,303	1,303	1,303	1,303	1,375	1,448	1,713	1,942	2,040	2,448
147,000	1,312	1,312	1,312	1,312	1,385	1,457	1,725	1,955	2,053	2,464
148,000	1,321	1,321	1,321	1,321	1,395	1,468	1,737	1,968	2,067	2,480
149,000	1,330	1,330	1,330	1,330	1,404	1,477	1,749	1,981	2,080	2,496
150,000	1,339	1,339	1,339	1,339	1,413	1,487	1,760	1,994	2,094	2,513
151,000	1,346	1,346	1,346	1,346	1,420	1,494	1,768	2,003	2,103	2,525
152,000	1,351	1,351	1,351	1,351	1,426	1,500	1,776	2,012	2,113	2,535
153,000	1,357	1,357	1,357	1,357	1,433	1,508	1,785	2,022	2,123	2,548
154,000	1,362	1,362	1,362	1,362	1,439	1,515	1,793	2,031	2,132	2,558
155,000	1,369	1,369	1,369	1,369	1,446	1,521	1,801	2,040	2,141	2,569
156,000	1,375	1,375	1,375	1,375	1,452	1,528	1,808	2,049	2,150	2,581
157,000	1,381	1,381	1,381	1,381	1,459	1,534	1,816	2,058	2,159	2,591
158,000	1,387	1,387	1,387	1,387	1,464	1,542	1,824	2,066	2,170	2,604
159,000	1,392	1,392	1,392	1,392	1,470	1,548	1,832	2,075	2,179	2,614
160,000	1,399	1,399	1,399	1,399	1,477	1,555	1,840	2,084	2,188	2,626
161,000	1,405	1,405	1,405	1,405	1,483	1,561	1,847	2,093	2,197	2,636
162,000	1,411	1,411	1,411	1,411	1,490	1,568	1,855	2,102	2,206	2,647
163,000	1,417	1,417	1,417	1,417	1,495	1,574	1,863	2,110	2,217	2,660
164,000	1,422	1,422	1,422	1,422	1,502	1,581	1,871	2,119	2,226	2,670
165,000	1,429	1,429	1,429	1,429	1,508	1,587	1,879	2,128	2,235	2,682
166,000	1,434	1,434	1,434	1,434	1,515	1,594	1,886	2,137	2,244	2,692
167,000	1,440	1,440	1,440	1,440	1,520	1,600	1,894	2,145	2,253	2,704
168,000	1,446	1,446	1,446	1,446	1,526	1,606	1,901	2,154	2,262	2,714
169,000	1,452	1,452	1,452	1,452	1,531	1,612	1,908	2,162	2,271	2,725
170,000	1,457	1,457	1,457	1,457	1,538	1,619	1,916	2,171	2,280	2,737
171,000	1,463	1,463	1,463	1,463	1,544	1,625	1,924	2,179	2,289	2,747
172,000	1,468	1,468	1,468	1,468	1,550	1,632	1,931	2,188	2,297	2,756

Farmers Union Mutual Insurance Company

Base Rates - HO2 Policies = Current Base Rates +30%
 \$500 Deductible base - 5% credit for \$1,000 deductible

Proposed Effective Date: June 1, 2014

Dwelling Coverage	Protection Class									
	1	2	3	4	5	6	7	8	9	10
A										
91,000	840	840	840	840	887	933	1,105	1,269	1,333	1,599
92,000	848	848	848	848	894	941	1,114	1,279	1,343	1,612
93,000	852	852	852	852	900	946	1,121	1,288	1,353	1,624
94,000	862	862	862	862	910	958	1,130	1,296	1,361	1,633
95,000	866	866	866	866	914	962	1,140	1,308	1,373	1,647
96,000	872	872	872	872	922	970	1,149	1,317	1,383	1,660
97,000	878	878	878	878	927	975	1,156	1,322	1,388	1,667
98,000	885	885	885	885	935	984	1,165	1,329	1,395	1,674
99,000	891	891	891	891	940	989	1,174	1,335	1,401	1,682
100,000	894	894	894	894	944	993	1,182	1,342	1,409	1,691
101,000	904	904	904	904	953	1,004	1,193	1,355	1,424	1,708
102,000	913	913	913	913	962	1,013	1,205	1,368	1,437	1,724
103,000	920	920	920	920	972	1,023	1,217	1,382	1,451	1,741
104,000	930	930	930	930	982	1,032	1,229	1,395	1,464	1,756
105,000	939	939	939	939	991	1,043	1,240	1,408	1,478	1,773
106,000	948	948	948	948	1,000	1,053	1,252	1,421	1,492	1,791
107,000	957	957	957	957	1,009	1,062	1,264	1,434	1,507	1,808
108,000	965	965	965	965	1,019	1,073	1,274	1,448	1,520	1,824
109,000	974	974	974	974	1,028	1,082	1,286	1,461	1,534	1,841
110,000	983	983	983	983	1,037	1,092	1,297	1,474	1,548	1,858
111,000	992	992	992	992	1,047	1,102	1,309	1,487	1,561	1,873
112,000	1,001	1,001	1,001	1,001	1,056	1,112	1,321	1,500	1,576	1,890
113,000	1,009	1,009	1,009	1,009	1,066	1,122	1,334	1,513	1,589	1,906
114,000	1,018	1,018	1,018	1,018	1,075	1,131	1,346	1,526	1,603	1,924
115,000	1,027	1,027	1,027	1,027	1,084	1,141	1,357	1,539	1,616	1,940
116,000	1,036	1,036	1,036	1,036	1,093	1,152	1,369	1,552	1,630	1,957
117,000	1,045	1,045	1,045	1,045	1,102	1,161	1,381	1,565	1,645	1,973
118,000	1,053	1,053	1,053	1,053	1,113	1,171	1,391	1,580	1,658	1,989
119,000	1,062	1,062	1,062	1,062	1,122	1,180	1,403	1,593	1,672	2,006
120,000	1,071	1,071	1,071	1,071	1,131	1,191	1,414	1,606	1,686	2,023
121,000	1,080	1,080	1,080	1,080	1,140	1,201	1,426	1,619	1,699	2,038
122,000	1,089	1,089	1,089	1,089	1,149	1,210	1,438	1,632	1,713	2,057
123,000	1,099	1,099	1,099	1,099	1,160	1,221	1,450	1,645	1,726	2,072
124,000	1,108	1,108	1,108	1,108	1,169	1,230	1,461	1,658	1,741	2,089
125,000	1,117	1,117	1,117	1,117	1,178	1,240	1,473	1,671	1,754	2,105
126,000	1,126	1,126	1,126	1,126	1,187	1,251	1,485	1,684	1,768	2,122
127,000	1,135	1,135	1,135	1,135	1,196	1,260	1,496	1,697	1,781	2,137
128,000	1,143	1,143	1,143	1,143	1,206	1,270	1,507	1,710	1,795	2,154
129,000	1,152	1,152	1,152	1,152	1,216	1,279	1,518	1,723	1,808	2,170
130,000	1,161	1,161	1,161	1,161	1,225	1,290	1,530	1,736	1,823	2,187
131,000	1,170	1,170	1,170	1,170	1,234	1,300	1,542	1,749	1,836	2,202

State:	Arkansas	Filing Company:	Farmers Union Mutual Insurance Co
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Homeowners		
Project Name/Number:	0064 HO 2 Rate Change/0064 HO RA		

Supporting Document Schedules

Satisfied - Item:	H-1 Homeowners Abstract
Comments:	
Attachment(s):	AID Form H-1 0064 03 14 10.pdf
Item Status:	Filed
Status Date:	05/22/2014

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	0064 03 14 10 Loss Cost Data Entry Form revised.pdf
Item Status:	Filed
Status Date:	05/22/2014

Satisfied - Item:	Filing Authorization
Comments:	
Attachment(s):	MSO authorization Rate filing.pdf
Item Status:	Filed
Status Date:	05/22/2014

Satisfied - Item:	Explanatory Memorandum
Comments:	
Attachment(s):	Explanatory Memorandum.pdf
Item Status:	Filed
Status Date:	05/22/2014

Satisfied - Item:	Filing Exhibit I
Comments:	
Attachment(s):	Filing Exhibit I.pdf
Item Status:	Filed
Status Date:	05/22/2014

Satisfied - Item:	Filing Exhibit II
Comments:	
Attachment(s):	Filing Exhibit II.pdf
Item Status:	Filed

State:	Arkansas	Filing Company:	Farmers Union Mutual Insurance Co
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Homeowners		
Project Name/Number:	0064 HO 2 Rate Change/0064 HO RA		

Status Date:	05/22/2014
Satisfied - Item:	Filing Exhibit III
Comments:	
Attachment(s):	Filing Exhibit III.pdf
Item Status:	Filed
Status Date:	05/22/2014
Satisfied - Item:	Filing Exhibit IV
Comments:	
Attachment(s):	Filing Exhibit IV.pdf
Item Status:	Filed
Status Date:	05/22/2014
Satisfied - Item:	Filing Exhibit V
Comments:	
Attachment(s):	Filing Exhibit V.pdf
Item Status:	Filed
Status Date:	05/22/2014
Satisfied - Item:	Filing Exhibit VI
Comments:	
Attachment(s):	Filing Exhibit VI revised.pdf
Item Status:	Filed
Status Date:	05/22/2014
Satisfied - Item:	HO 2 rate pages 25% increase
Comments:	
Attachment(s):	FUMIC HO2 Rates rev 5 21 25%.pdf
Item Status:	Filed
Status Date:	05/22/2014

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

INSTRUCTIONS: All questions must be answered. If the answer is "none" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent homeowners rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name _____

NAIC # (including group #) _____

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.

3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

5. Specify the percentage given for credit or discounts for the following:

- | | |
|---|---------|
| a. Fire Extinguisher | _____ % |
| b. Burglar Alarm | _____ % |
| c. Smoke Alarm | _____ % |
| d. Insured who has both homeowners and auto with your | _____ % |

company

- | | |
|-------------------------|---------|
| e. Deadbolt Locks | _____ % |
| f. Window or Door Locks | _____ % |
| g. Other (specify) | _____ % |
| | _____ % |
| | _____ % |

6. Are there any areas in the State of Arkansas In which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.
7. Specify the form(s) utilized in writing homeowners insurance. Indicate the Arkansas premium volume for each form.

Form

Premium Volume

8. Do you write homeower risks which have aluminum, steel or vinyl siding? ☐ Yes ☐ No

9. Is there a surcharge on risks with wood heat?

If yes, state the surcharge

Does the surcharge apply to conventional fire places?

If yes, state the surcharge

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature

Printed Name

Title

Telephone Number

Email address

AID PC H-1 (1/06)


NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	
----	---	--

2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	
----	--	--

Company Name		Company NAIC Number	
3.	A.	B.	

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A.	B.	

5.							
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
TOTAL OVERALL EFFECT							

6.							
5 Year History		Rate Change History		None	See Exhibit II		
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio

7. See Exhibit V	
Expense Constants	Selected Provisions
A. Total Production Expense	
B. General Expense	
C. Taxes, License & Fees	
D. Underwriting Profit * & Contingencies	
E. Other (explain) **	
F. TOTAL	

* net of I.I.

8. _____ Apply Lost Cost Factors to Future filings? (Y or N)

9. _____ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____

**Net reinsurance

10. _____ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

PC RLC ***Info not available due to system change in 2009.

U:LossCostDraft/DataEntry.doc



FARMERS UNION MUTUAL INSURANCE COMPANY

P.O. Box 860 • Bryant, Arkansas 72089

2215 North Reynolds Road • Bryant, Arkansas 72022

Phone (501) 847-1518 • Fax (501) 847-1319 • Toll Free 1-888-803-7524

Commissioner Jay Bradford
Arkansas Insurance Department
Property and Casualty Division
1200 W. 3rd Street
Little Rock, AR 72201-1904

RE: Filing Authorization

Dear Commissioner Bradford:

Farmers Union Mutual Insurance Company authorizes MSO, Inc. to act as the filing agent for the attached filing.

If you have any questions, please contact me at 501-847-1518 ext. 124

Respectfully Submitted,

Michael Bush
President

Explanatory Memorandum

The Farmers Union Mutual Insurance Company (FUMIC) hereby files for a 30% rate increase for its Homeowners business written on the HO2 form. The proposed rate increase percentage will be the same for all policyholders. No other rating rules or factors are being changed. The discussion below and attached exhibits demonstrate an indicated rate need (+69.2%) that is materially larger than the proposed increase (30%). FUMIC has incurred loss ratios greater than its permissible loss ratio (60.2%) for each and every year in the 2004-2013 period reviewed. FUMIC has also experienced three years with significant catastrophe losses. The reinsured portion of those catastrophe losses has been removed from the experience used in the rate indication and replaced with a modeled cat loss provision based on FUMIC current (greatly reduced) exposure base.

Proposed Effective Date

The proposed effective date rule for this filing is:

“These changes are applicable to all FUMIC Homeowners HO2 policies written on or after June 1, 2014.”

If approval is not received prior to the proposed effective date, these changes will become effective upon approval.

Company

The Farmers Union Mutual Insurance Company (NAIC # 37613) is domiciled in Arkansas and writes business exclusively in Arkansas.

The experience and results shown in this filing includes experience for the Town and Country Mutual Insurance Company and the Home Mutual Insurance Company which were merged into FUMIC. The Town and Country Mutual merger was effective at the end of 2010. This filing covers the same line of business as a prior attempted filing (proposed effective date 10/1/2011 SERFF Tracking # FUMC 127357489) that was ultimately closed for lack of a company response. The results shown in this filing reflect three additional years of experience and a revised implementation plan aimed to address questions raised about the prior filing. In the interim FUMIC has pursued a number of actions to restore the FUMIC Homeowners book of business to profitability, including an exhaustive risk inspection program, an enhanced agency selection/retention process and additional staff training as well the transfer of some business from the replacement cost HO2 form to ACV Homeowners forms. After careful consideration, FUMIC has determined that a rate increase is warranted in addition to the underwriting actions taken to date.

Expense Experience

A summary of recent Homeowners results as reported in the FUMIC Insurance Expense Exhibit (IEE) is included as Exhibit I. On a direct calendar year basis as reported in the IEE incurred losses (without LAE or underwriting expenses), for the latest five year period, have exceeded earned premium:

Farmers Union Mutual Insurance Company

Insurance Expense Exhibit (000) Omitted

Homeowners Multiple Peril

As reported by A.M. Best via BestLink © A.M. Best Company – used by permission

Latest 5 yr
2009-13
Latest 10 yr
2004-13IEE
Col. Item

Part III - Allocation to Lines of Direct Business Written

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2009-13	2004-13
1 Premiums Written	2,046	2,157	4,590	4,566	2,289	2,968	7,313	7,045	2,902	2,655	22,883	38,551
3 Premiums Earned	1,738	1,406	4,368	4,578	2,350	3,058	6,176	7,113	4,878	2,675	23,900	38,340
5 Dividends to Policyholders	0	0	0	0	0	0	0	0	0	0	0	0
7 Incurred Loss	1,501	995	4,418	3,547	3,610	3,635	4,266	10,391	4,101	1,740	24,133	38,204
9 Defense and Cost Containment Expenses Incurred	0	0	0	0	0	0	0	0	0	0	0	0
11 Adjusting and Other Expenses Incurred	95	0	0	126	0	0	0	609	0	0	609	830
13 Unpaid Losses	309	298	701	661	365	540	991	1,248	650	259	3,688	6,022
15 Defense and Cost Containment Expenses Unpaid	0	14	0	22	23	0	15	39	30	0	84	143
17 Adjusting and Other Expenses Unpaid	0	0	0	0	0	0	0	39	0	0	39	39
19 Unearned Premium Reserves	932	1,038	2,230	2,238	0	1,261	1,170	0	1,433	1,414	5,278	11,716
21 Agent's Balances	0	0	0	0	0	0	0	0	0	0	0	0
23 Commission and Brokerage Expenses Incurred	108	401	886	878	454	335	388	184	28	299	1,234	3,961
25 Taxes, Licenses & Fees Incurred	23	68	78	86	77	8	87	228	82	96	501	833
27 Other Acquisitions, Field Supervision, and Collection Expenses Incurred	324	0	0	0	0	0	1,273	0	0	0	1,273	2,518
29 General Expenses Incurred	0	0	0	474	447	0	0	0	0	0	0	0
31 Other Income Less Expenses	0	0	0	0	0	0	0	0	0	0	0	0
33 Pre-Tax Profit or Loss Excluding All Investment Gain	(276)	(118)	(1,014)	(615)	(2,553)	(1,240)	(55)	(4,933)	369	540	(5,319)	(9,895)
Paid Loss	1,270	1,006	4,015	3,587	3,906	3,460	3,815	10,134	4,699	2,132	24,240	38,024
Defense and Cost Containment Expenses Paid	0	(14)	14	(22)	(11)	23	(15)	(24)	9	30	23	0
Adjusting and Other Expenses Paid	95	0	0	126	0	0	0	570	39	0	609	830

Direct Expense Ratios

Inc. Loss / Earned Premium Ratio	86.4%	70.8%	101.1%	77.5%	153.6%	118.9%	69.1%	146.1%	84.1%	65.1%	101.0%	99.6%
Inc. LAE / Earned Premium Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inc. ULAE / Earned Premium Ratio	5.5%	0.0%	0.0%	2.8%	0.0%	0.0%	0.0%	8.6%	0.0%	0.0%	2.5%	2.2%
Inc. Loss & LAE / Earned Premium Ratio	91.8%	70.8%	101.1%	80.2%	153.6%	118.9%	69.1%	154.6%	84.1%	65.1%	103.5%	101.8%
Inc. DCCE / Inc. Loss Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inc. A&O / Inc. Loss Ratio	6.3%	0.0%	0.0%	3.6%	0.0%	0.0%	0.0%	5.9%	0.0%	0.0%	2.5%	2.2%
Inc. LAE / Inc. Loss Ratio	6.3%	0.0%	0.0%	3.6%	0.0%	0.0%	0.0%	5.9%	0.0%	0.0%	2.5%	2.2%
Inc. LAE / Inc. Loss Ratio	6.3%	0.0%	0.0%	3.6%	0.0%	0.0%	0.0%	5.9%	0.0%	0.0%	2.5%	2.2%
Inc. Loss & LAE / Inc. Loss & ALAE Ratio	106.3%	100.0%	100.0%	103.6%	100.0%	100.0%	100.0%	105.9%	100.0%	100.0%	102.5%	102.2%
Inc. Loss & LAE / Inc. Loss Ratio	106.3%	100.0%	100.0%	103.6%	100.0%	100.0%	100.0%	105.9%	100.0%	100.0%	102.5%	102.2%
Paid Loss Ratio to DEP	73.1%	71.6%	91.9%	78.4%	166.2%	113.1%	61.8%	142.5%	96.3%	79.7%	96.5%	106.5%
Paid ALAE Ratio to DEP	0.0%	-1.0%	0.3%	-0.5%	0.0%	0.8%	-0.2%	-0.3%	0.2%	1.1%	0.1%	-0.1%
Paid ULAE Ratio to DEP	5.5%	0.0%	0.0%	2.8%	0.0%	0.0%	0.0%	8.0%	0.8%	0.0%	0.0%	3.5%
Change in ALAE O/S to DEP	0.0%	1.0%	-0.3%	0.5%	0.0%	-0.8%	0.2%	0.3%	-0.2%	-1.1%	0.0%	0.0%
Change in ULAE O/S to DEP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	-0.8%	0.0%	0.0%	0.0%
Commission Ratio to DWP	5.3%	18.6%	19.3%	19.1%	19.8%	11.3%	5.3%	2.6%	1.0%	11.3%	5.4%	10.3%
T. L. & F Ratio to DWP	1.1%	3.2%	1.7%	1.9%	3.4%	0.3%	1.2%	3.2%	2.8%	3.6%	2.2%	2.2%
Other Acq Ratio to DWP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
General Exp Ratio to DEP	18.6%	0.0%	0.0%	10.4%	19.0%	0.0%	20.6%	0.0%	0.0%	0.0%	5.3%	6.6%
U/W Expense Ratio to DEP	26.2%	33.4%	22.1%	31.4%	41.6%	11.2%	28.3%	5.8%	2.3%	14.8%	12.6%	19.1%
Direct Combined Ratio	114.1%	92.5%	122.1%	111.6%	196.3%	130.4%	93.0%	160.5%	87.9%	79.9%	116.7%	120.8%
	=sum((12):(15))/(1) + sum((4):(6))/(2)											

Farmers Union Mutual Insurance Company

Insurance Expense Exhibit (000) Omitted

Homeowners Multiple Peril

As reported by A.M. Best via BestLink © A.M. Best Company – used by permission

Latest 5 yr
2009-13
Latest 10 yr
2004-13IEE
Col. Item

Part II - Allocation to Lines of Business Net of Reinsurance

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2009-13	2004-13
1 Premiums Written	1,686	1,990	3,934	3,924	1,752	1,575	3,782	3,355	1,115	1,882	11,709	24,995
3 Premiums Earned	1,380	1,240	3,712	3,916	1,814	1,886	3,802	3,516	2,616	1,088	12,708	24,770
5 Dividends to Policyholders	0	0	0	0	0	0	0	0	0	0	0	0
7 Incurred Loss	1,416	675	3,248	2,624	1,770	1,649	2,414	4,769	1,666	1,347	11,845	21,578
9 Defense and Cost Containment Expenses Incurred	95	55	168	222	320	306	255	549	0	95	1,205	2,065
11 Adjusting and Other Expenses Incurred	224	159	470	406	211	299	428	497	274	254	1,752	3,222
13 Unpaid Losses	0	0	0	0	0	0	0	0	0	0	0	0
15 Defense and Cost Containment Expenses Unpaid	12	14	24	22	22	0	11	28	28	6	73	167
17 Adjusting and Other Expenses Unpaid	932	1,038	2,230	2,238	1,092	1,039	2,119	1,957	456	1,250	6,821	14,351
19 Unearned Premium Reserves	0	0	0	0	0	0	0	0	0	0	0	0
21 Agent's Balances	357	401	886	878	453	335	388	184	28	300	1,235	4,210
23 Commission and Brokerage Expenses Incurred	25	68	78	86	77	8	87	228	82	96	501	835
25 Taxes, Licenses & Fees Incurred	0	0	4	0	0	0	0	0	0	0	0	4
27 Other Acquisitions, Field Supervision, and Collection Expenses Incurred	380	176	706	933	447	798	1,273	1,408	1,062	590	5,131	7,773
29 General Expenses Incurred	0	0	0	0	0	0	0	0	0	0	0	0
31 Other Income Less Expenses	(827)	(50)	(1,321)	(741)	(1,231)	(1,084)	(705)	(3,450)	(246)	(18)	(5,503)	(9,673)
33 Pre-Tax Profit or Loss Excluding All Investment Gain	129	56	243	112	71	133	63	63	24	0	283	894
35 Investment Gain on Funds Attributable to Insurance Transactions	(698)	6	(1,075)	(629)	(1,160)	(951)	(642)	(3,393)	(222)	(18)	(5,226)	(8,782)
37 Profit or Loss Excluding Gain Attributable to Capital and Surplus	39	13	102	162	42	311	91	70	32	0	504	862
39 Investment Gain on Funds Attributable to Capital and Surplus	(660)	19	(975)	(467)	(1,118)	(640)	(550)	(3,319)	(190)	(17)	(4,716)	(7,917)
41 Total Profit or Loss												

Net Expense Ratios to Premiums Earned

Inc. Loss Ratio	102.6%	54.4%	87.5%	67.0%	97.6%	87.4%	67.0%	135.6%	63.7%	123.8%	93.2%	87.1%
Inc. ALAE Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inc. ULAE Ratio	6.9%	4.4%	4.5%	5.7%	17.6%	16.2%	7.1%	15.6%	0.0%	8.7%	9.5%	8.3%
Inc. Loss & LAE Ratio	109.5%	58.9%	92.0%	72.7%	115.2%	103.7%	74.1%	151.3%	63.7%	132.5%	102.7%	95.5%
Commission Ratio	25.9%	32.3%	23.9%	22.4%	25.0%	17.8%	10.8%	5.2%	1.1%	27.6%	9.7%	17.0%
T. L. & F Ratio	1.8%	5.5%	2.1%	2.2%	4.2%	0.4%	2.4%	6.5%	3.1%	8.8%	3.9%	3.4%
Other Acq Ratio	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
General Exp Ratio	27.5%	14.2%	19.0%	23.8%	24.6%	42.3%	35.3%	40.0%	40.6%	54.2%	40.4%	31.4%
U/W Expense Ratio	55.2%	52.0%	45.1%	48.4%	53.9%	60.5%	48.5%	51.8%	44.8%	90.6%	54.0%	51.8%
Other Income Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pre-Tax Profit Ratio (excluding Investment G	-59.9%	-4.0%	-35.6%	-18.9%	-67.9%	-57.5%	-19.6%	-98.1%	-9.4%	-1.7%	-43.3%	-39.1%
Insurance Inv Income Ratio	9.3%	4.5%	6.5%	2.9%	3.9%	7.1%	1.7%	1.8%	0.9%	0.0%	2.2%	3.6%
Capital & Surplus Inv Inc Ratio	2.8%	1.0%	2.7%	4.1%	2.3%	16.5%	2.5%	2.0%	1.2%	0.0%	4.0%	3.5%
Pre-Tax Profit Ratio (including Investment Gain)	-47.8%	1.5%	-26.3%	-11.9%	-61.6%	-33.9%	-15.3%	-94.4%	-7.3%	-1.6%	-37.1%	-32.0%
Combined Ratio	155%	91%	135%	121%	171%	176%	120%	205%	169%	185%	161%	147%

Farmers Union Mutual Insurance Company

Insurance Expense Exhibit (000) Omitted

Homeowners Multiple Peril

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IEE Col.	Item	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Latest 5 yr 2009-13	Latest 10 yr 2004-13
Part III-II - Allocation to Lines of Ceded Business													
1	Premiums Written	360	167	656	662	537	1,393	3,531	3,690	1,787	773	11,174	13,556
3	Premiums Earned	358	166	656	662	536	1,172	2,574	3,597	2,262	1,587	11,192	13,570
5	Dividends to Policyholders	0	0	0	0	0	0	0	0	0	0	0	0
7	Incurred Loss	85	320	1,170	923	1,840	1,986	1,852	5,622	2,435	393	12,288	16,626
9	Defense and Cost Containment Expenses Incurred	0	0	0	0	0	0	0	0	0	0	0	0
11	Adjusting and Other Expenses Incurred	0	(55)	(168)	(96)	(320)	(306)	(255)	60	0	(95)	(596)	(1,235)
13	Unpaid Losses	85	139	231	255	154	241	563	751	376	5	1,936	2,800
15	Defense and Cost Containment Expenses Unpaid	0	14	0	22	23	0	15	39	30	0	84	143
17	Adjusting and Other Expenses Unpaid	(12)	(14)	(24)	(22)	(22)	0	(11)	11	(28)	(6)	(34)	(128)
19	Unearned Premium Reserves	0	0	0	0	(1,092)	222	(949)	(1,957)	977	164	(1,543)	(2,635)
21	Agent's Balances	(249)	0	0	0	0	0	0	0	0	0	0	0
23	Commission and Brokerage Expenses Incurred	(2)	0	0	0	1	0	0	0	0	(1)	(1)	(249)
25	Taxes, Licenses & Fees Incurred	0	0	0	0	0	0	0	0	0	0	0	(2)
27	Other Acquisitions, Field Supervision, and C	0	0	(4)	0	0	0	0	0	0	0	0	(4)
29	General Expenses Incurred	(56)	(176)	(706)	(459)	0	(798)	0	(1,408)	(1,062)	(590)	(3,858)	(5,255)
31	Other Income Less Expenses	0	0	(0)	0	0	0	0	0	0	0	0	(0)
33	Pre-Tax Profit or Loss Excluding All Investm	551	(68)	307	126	(1,322)	(156)	650	(1,483)	615	558	184	(222)

Ceded Ratios to Premiums Earned

Inc. Loss Ratio	23.7%	192.8%	178.4%	139.4%	343.3%	169.5%	72.0%	156.3%	107.6%	24.8%
Inc. ALAE Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inc. ULAE Ratio	0.0%	-33.1%	-25.6%	-14.5%	-59.7%	-26.1%	-9.9%	1.7%	0.0%	-6.0%
Inc. Loss & LAE Ratio	23.7%	159.6%	152.7%	124.9%	283.6%	143.3%	62.0%	158.0%	107.6%	18.8%
Commission Ratio	-69.6%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	-0.1%
T. L. & F Ratio	-0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Acq Ratio	0.0%	0.0%	-0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
General Exp Ratio	-15.6%	-106.0%	-107.6%	-69.3%	0.0%	-68.1%	0.0%	-39.1%	-46.9%	-37.2%
UW Expense Ratio	-85.8%	-106.0%	-108.2%	-69.3%	0.2%	-68.1%	0.0%	-39.1%	-46.9%	-37.3%
Other Income Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pre-Tax Profit Ratio	153.9%	-41.0%	46.8%	19.0%	-246.6%	-13.3%	25.3%	-41.2%	27.2%	35.2%
Pre-Tax Profit / Direct Earned Premium	31.7%	-4.8%	7.0%	2.8%	-56.3%	-5.1%	10.5%	-20.8%	12.6%	20.9%
									0.8%	-0.6%

Farmers Union Mutual Insurance Company
Homeowners Multiple Peril Historical Experience (000)
Direct Results from Statutory Page 14

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Col #	Arkansas	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2009-13	2004-13
(1)	Premiums Written	2,045	4,192	4,590	4,586	5,073	5,216	7,312	7,045	2,902	2,655	25,130	45,616
(2)	Premiums Earned	1,738	3,116	4,368	4,578	5,229	5,318	6,176	7,113	4,878	2,675	26,160	45,189
(3)	Dividends Paid	0	0	0	0	0	0	0	0	0	0	0	0
(4)	Unearned Premium Reserves	932	2,008	2,230	2,238	0	2,341	1,170	0	1,433	1,414	6,358	13,766
(5)	Losses Paid (after deducting salvage)	1,270	2,027	4,488	3,587	9,694	6,181	4,060	10,133	4,699	2,032	27,105	48,171
(6)	Losses Incurred (after deducting salvage)	1,501	2,234	4,418	3,547	9,917	5,855	4,266	10,391	4,101	1,740	26,353	47,970
(7)	Losses Unpaid	309	671	701	662	1,110	784	991	1,248	650	259	3,932	7,385
(8)	Defense & Cost Containment Expenses Paid	0	110	0	266	336	525	326	570	254	0	1,675	2,387
(9)	Defense & Cost Containment Expenses Incurred	0	112	0	138	337	517	327	634	298	0	1,776	2,363
(10)	Defense & Cost Containment Expenses Unpaid	0	14	0	22	23	0	15	39	30	0	84	143
(11)	Loss & DCC Incurred = (6) + (9)	1,501	2,346	4,418	3,685	10,254	6,372	4,593	11,025	4,399	1,740	28,129	50,333
(12)	Commission & Brokerage Expenses Incurred	108	401	886	0	936	644	388	184	28	299	1,543	3,874
(13)	Taxes, Licenses & Fees Incurred	23	68	78	0	89	78	87	228	82	96	571	829
	Incur Loss / EP Ratio (6) / (2)	86.4%	71.7%	101.1%	77.5%	189.7%	110.1%	69.1%	146.1%	84.1%	65.0%	100.7%	106.2%
	DCC Incurred / EP Ratio (9) / (2)	0.0%	3.6%	0.0%	3.0%	6.4%	9.7%	5.3%	8.9%	6.1%	0.0%	6.8%	5.2%
	Loss & DCC Incurred / EP Ratio (11) / (2)	86.4%	75.3%	101.1%	80.5%	196.1%	119.8%	74.4%	155.0%	90.2%	65.0%	107.5%	111.4%
	DCC Incurred / Losses Incurred (9) / (6)	0.0%	5.0%	0.0%	3.9%	3.4%	8.8%	7.7%	6.1%	7.3%	0.0%	6.7%	4.9%
	Commission & Brokerage / WP Ratio (12) / (1)	5.3%	9.6%	19.3%	0.0%	18.5%	12.3%	5.3%	2.6%	1.0%	11.3%	6.1%	8.5%
	Taxes, Licenses & Fees / WP Ratio (13) / (1)	1.1%	1.6%	1.7%	0.0%	1.8%	1.5%	1.2%	3.2%	2.8%	3.6%	2.3%	1.8%
Grand Total													
(1)	Premiums Written	2,045	4,192	4,590	4,586	5,073	5,216	7,312	7,045	2,902	2,655	25,130	45,616
(2)	Premiums Earned	1,738	3,116	4,368	4,578	5,229	5,318	6,176	7,113	4,878	2,675	26,160	45,189
(3)	Dividends Paid	0	0	0	0	0	0	0	0	0	0	0	0
(4)	Unearned Premium Reserves	932	2,008	2,230	2,238	0	2,341	1,170	0	1,433	1,414	6,358	13,766
(5)	Losses Paid (after deducting salvage)	1,270	2,027	4,488	3,587	9,694	6,181	4,060	10,133	4,699	2,032	27,105	48,171
(6)	Losses Incurred (after deducting salvage)	1,501	2,234	4,418	3,547	9,917	5,855	4,266	10,391	4,101	1,740	26,353	47,970
(7)	Losses Unpaid	309	671	701	662	1,110	784	991	1,248	650	259	3,932	7,385
(8)	Defense & Cost Containment Expenses Paid	0	110	0	266	336	525	326	570	254	0	1,675	2,387
(9)	Defense & Cost Containment Expenses Incurred	0	112	0	138	337	517	327	634	298	0	1,776	2,363
(10)	Defense & Cost Containment Expenses Unpaid	0	14	0	22	23	0	15	39	30	0	84	143
(11)	Loss & DCC Incurred = (6) + (9)	1,501	2,346	4,418	3,685	10,254	6,372	4,593	11,025	4,399	1,740	28,129	50,333
(12)	Commission & Brokerage Expenses	108	401	886	0	936	644	388	184	28	299	1,543	3,874
(13)	Taxes, Licenses & Fees	23	68	78	0	89	78	87	228	82	96	571	829
	Incur Loss / EP Ratio (6) / (2)	86.4%	71.7%	101.1%	77.5%	189.7%	110.1%	69.1%	146.1%	84.1%	65.0%	100.7%	106.2%
	DCC Incurred / EP Ratio (9) / (2)	0.0%	3.6%	0.0%	3.0%	6.4%	9.7%	5.3%	8.9%	6.1%	0.0%	6.8%	5.2%
	Loss & DCC Incurred / EP Ratio (11) / (2)	86.4%	75.3%	101.1%	80.5%	196.1%	119.8%	74.4%	155.0%	90.2%	65.0%	107.5%	111.4%
	DCC Incurred / Losses Incurred (9) / (6)	0.0%	5.0%	0.0%	3.9%	3.4%	8.8%	7.7%	6.1%	7.3%	0.0%	6.7%	4.9%
	Commission & Brokerage / WP Ratio (12) / (1)	5.3%	9.6%	19.3%	0.0%	18.5%	12.3%	5.3%	2.6%	1.0%	11.3%	6.1%	8.5%
	Taxes, Licenses & Fees / WP Ratio (13) / (1)	1.1%	1.6%	1.7%	0.0%	1.8%	1.5%	1.2%	3.2%	2.8%	3.6%	2.3%	1.8%

Farmers Union Mutual Insurance Company
Loss Payments - Direct and Assumed

Sch P Part 1 Col 4

Homeowners

Data drawn from multiple year's Annual Statement Schedule P Section 1 - latest data as of 12/31/2013

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Accident Year	Direct Premium Earned	12	24	36	48	60	72	84	96	108	120	Prior	Latest Published Value	Selected Age to Ultimate LDF	Estimated Ultimate via LDF
		Cumulative Data													
		Development Age in Months													
															(14) x (15)
2002	134	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	92	92	92	92	0	92	1,000	92
2003	995	#N/A	#N/A	#N/A	#N/A	#N/A	443	443	443	443	443	0	443	1,000	443
2004	1,784	#N/A	#N/A	#N/A	#N/A	976	976	976	976	976	1,472		1,472	1,000	1,472
2005	3,165	#N/A	#N/A	#N/A	1,420	1,420	1,421	1,421	1,421	2,394			2,394	1,000	2,394
2006	4,421	#N/A	#N/A	2,243	2,243	2,249	2,249	2,249	4,520				4,520	1,000	4,520
2007	4,626	#N/A	1,790	1,790	1,893	1,893	1,893	3,466					3,466	1,000	3,466
2008	5,272	5,880	6,199	6,509	6,509	6,534	10,167						10,167	1,000	10,167
2009	5,354	3,520	3,709	3,709	3,722	5,973							5,973	1,000	5,973
2010	6,206	2,325	3,680	3,386	4,398								4,398	1,002	4,407
2011	7,139	9,036	9,832	10,001									10,001	1,022	10,221
2012	4,894	3,899	4,328										4,328	1,028	4,450
2013	2,694	1,435											1,435	1,160	1,664

Source

Accident Year	Direct Premium Earned	12	24	36	48	60	72	84	96	108	120	132 to Ult
		Incremental Data										
		Development Age in Months										
2002	134											
2003	995											
2004	1,784											
2005	3,165											
2006	4,421											
2007	4,626											
2008	5,272											
2009	5,354											
2010	6,206											
2011	7,139											
2012	4,894											
2013	2,694											

Farmers Union Mutual Insurance Company

Loss Payments - Direct and Assumed

Sch P Part 1 Col 4

Homeowners
Data drawn from multiple year's Annual Statement Schedule P Section 1 - latest data as of 12/31/2013

(1) Accident Year	Age to Age Development Factors (Actual)											(40) Ult / 120
	(31) (4) / (3)	(32) (5) / (4)	(33) (6) / (5)	(34) (7) / (6)	(35) (8) / (7)	(36) (9) / (8)	(37) (10) / (9)	(38) (11) / (10)	(39) (12) / (11)			
	24 / 12	36 / 24	48 / 36	60 / 48	72 / 60	84 / 72	96 / 84	108 / 96	120 / 108			
2002							1.00	1.00	1.00	1.00	1.00	
2003						1.00	1.00	1.00	1.00	1.00	1.00	
2004					1.00	1.00	1.00	1.00	1.00	1.51		
2005				1.00	1.00	1.00	1.00	1.00	1.68			
2006			1.00	1.00	1.00	1.00	2.01					
2007		1.00	1.06	1.00	1.00	1.83						
2008	1.05	1.05	1.00	1.00	1.56							
2009	1.05	1.00	1.00	1.60								
2010	1.58	0.92	1.30									
2011	1.09	1.02										
2012	1.11											
Age to Age Development Factors												
	24 / 12	36 / 24	48 / 36	60 / 48	72 / 60	84 / 72	96 / 84	108 / 96	120 / 108	Ult / 120		
5 yr weighted avg	1.125	1.007	1.064	1.145	1.278	1.225	1.438	1.332	1.328	1.000		
4 yr weighted avg	1.147	1.008	1.073	1.159	1.300	1.241	1.446	1.332	1.328	1.000		
3 yr weighted avg	1.169	0.993	1.075	1.188	1.340	1.283	1.489	1.343	1.328	1.000		
5 yr avg w/o hi, lo	1.084	1.006	1.020	1.002	1.000	1.000	1.000	#DIV/0!	#DIV/0!	#N/A		
4 yr wtd avg w/o latest	1.128	1.001	1.008	1.003	1.000	1.000	1.000	1.000	1.000	1.000		
3 yr wtd avg w/o latest	1.157	1.001	1.010	1.003	1.000	1.000	1.000	1.000	1.000	1.000		
"implied by IBNR"	1.065	1.011	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
Selected	1.128	1.006	1.020	1.002	1.000	1.000	1.000	1.000	1.000	1.000		
Cumulative - Age to Ultimate												
	Ult / 12	Ult / 24	Ult / 36	Ult / 48	Ult / 60	Ult / 72	Ult / 84	Ult / 96	Ult / 108	Ult / 120		
5 yr weighted avg	5.500	4.888	4.852	4.560	3.984	3.118	2.544	1.769	1.328	1.000		
4 yr weighted avg	5.937	5.174	5.134	4.783	4.128	3.174	2.558	1.769	1.328	1.000		
3 yr weighted avg	6.766	5.788	5.830	5.422	4.565	3.406	2.655	1.783	1.328	1.000		
5 yr avg w/o hi, lo	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#N/A		
4 yr wtd avg w/o latest	1.142	1.012	1.011	1.003	1.000	1.000	1.000	1.000	1.000	1.000		
3 yr wtd avg w/o latest	1.173	1.014	1.013	1.003	1.000	1.000	1.000	1.000	1.000	1.000		
"implied by IBNR"	1.077	1.012	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
Selected	1.160	1.028	1.022	1.002	1.000	1.000	1.000	1.000	1.000	1.000		

Farmers Union Mutual Insurance Company

Case Incurred Loss - Direct and Assumed

= Sch P Part 1 Cols ((4) + (13))

Homeowners

Data drawn from multiple year's Annual Statement Schedule P Section 1 - latest data as of 12/31/2013

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Accident Year	Direct Premium Earned														
		12	24	36	48	60	72	84	96	108	120	Prior	Latest Published Value	Selected Age to Ultimate LDF	Estimated Ultimate via LDF
															(14) x (15)
2002	134	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	92	92	92	92	0	92	1,000	92
2003	995	#N/A	#N/A	#N/A	#N/A	#N/A	443	443	443	443	443	0	443	1,000	443
2004	1,784	#N/A	#N/A	#N/A	#N/A	976	976	976	976	976	1,472		1,472	1,000	1,472
2005	3,165	#N/A	#N/A	#N/A	1,420	1,420	1,421	1,421	1,421	2,394			2,394	1,000	2,394
2006	4,421	#N/A	#N/A	2,248	2,248	2,254	2,249	2,249	4,520				4,520	1,000	4,520
2007	4,626	#N/A	1,903	1,904	1,893	1,893	1,893	3,466					3,466	1,000	3,466
2008	5,272	6,401	6,223	6,525	6,509	6,534	10,167						10,167	1,000	10,167
2009	5,354	3,767	3,711	3,709	3,722	5,973							5,973	1,000	5,973
2010	6,206	2,510	3,713	3,388	4,398								4,398	1,002	4,407
2011	7,139	10,161	9,964	10,008									10,008	1,002	10,028
2012	4,894	4,350	4,379										4,379	1,003	4,392
2013	2,694	1,546											1,546	1,037	1,603

Source (20) (3) (21) (22) (23) (24) (25) (26) (27) (28) (29) (30) (13) (13)

Accident Year	Direct Premium Earned														
		12	24	36	48	60	72	84	96	108	120	132 to Ult			
2002	134														
2003	995														
2004	1,784														
2005	3,165														
2006	4,421														
2007	4,626														
2008	5,272	6,401	(178)	302	1	(11)	0	0	0	0	0	0	0	0	0
2009	5,354	3,767	(56)	(2)	(2)	(16)	13	2,251	0	0	0	0	0	0	0
2010	6,206	2,510	1,203	(325)	1,010	13	2,251	3,633	0	0	0	496	0	0	0
2011	7,139	10,161	(197)	44					2,271	973					
2012	4,894	4,350	29					1,573							
2013	2,694	1,546													

Farmers Union Mutual Insurance Company
Case Incurred Loss - Direct and Assumed
 Data drawn from multiple years Annual Statement Schedule P Section 1 - latest data as of 12/31/2013

= Sch P Part 1 Cols ((4) + (13))

(1)	(31) (4) / (3)	(32) (5) / (4)	(33) (6) / (5)	(34) (7) / (6)	(35) (8) / (7)	(36) (9) / (8)	(37) (10) / (9)	(38) (11) / (10)	(39) (12) / (11)	(40)
Accident Year	24 / 12	36 / 24	48 / 36	60 / 48	72 / 60	84 / 72	96 / 84	108 / 96	120 / 108	Ult / 120
Age to Age Development Factors (Actual)										
2002							1.00	1.00	1.00	1.00
2003						1.00	1.00	1.00	1.00	1.00
2004					1.00	1.00	1.00	1.00	1.51	
2005				1.00	1.00	1.00	1.00	1.68		
2006			1.00	1.00	1.00	1.00	2.01			
2007		1.00	0.99	1.00	1.00	1.83				
2008	0.97	1.05	1.00	1.00	1.56					
2009	0.99	1.00	1.00	1.60						
2010	1.48	0.91	1.30							
2011	0.98	1.00								
2012	1.01									
Age to Age Development Factors										
	24 / 12	36 / 24	48 / 36	60 / 48	72 / 60	84 / 72	96 / 84	108 / 96	120 / 108	Ult / 120
5 yr weighted avg	1.029	1.001	1.056	1.145	1.278	1.225	1.438	1.332	1.328	1.000
4 yr weighted avg	1.047	1.001	1.064	1.159	1.300	1.241	1.446	1.332	1.328	1.000
3 yr weighted avg	1.061	0.984	1.074	1.188	1.340	1.283	1.489	1.343	1.328	1.000
5 yr avg w/o hi, lo	0.991	1.001	1.000	1.002	1.000	1.000	1.000	#DIV/0!	#DIV/0!	#N/A
4 yr wtd avg w/o latest	1.034	0.998	0.999	1.003	0.999	1.000	1.000	1.000	1.000	1.000
3 yr wtd avg w/o latest	1.058	0.998	0.999	1.003	0.999	1.000	1.000	1.000	1.000	1.000
"implied by IBNR"	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.034	1.001	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative - Age to Ultimate										
	Ult / 12	Ult / 24	Ult / 36	Ult / 48	Ult / 60	Ult / 72	Ult / 84	Ult / 96	Ult / 108	Ult / 120
5 yr weighted avg	4.960	4.818	4.814	4.558	3.983	3.118	2.544	1.769	1.328	1.000
4 yr weighted avg	5.331	5.092	5.088	4.781	4.126	3.174	2.558	1.769	1.328	1.000
3 yr weighted avg	6.073	5.725	5.820	5.419	4.563	3.406	2.655	1.783	1.328	1.000
5 yr avg w/o hi, lo	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#N/A
4 yr wtd avg w/o latest	1.033	0.999	1.001	1.002	0.999	1.000	1.000	1.000	1.000	1.000
3 yr wtd avg w/o latest	1.057	0.999	1.001	1.002	0.999	1.000	1.000	1.000	1.000	1.000
"implied by IBNR"	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.037	1.003	1.002	1.002	1.000	1.000	1.000	1.000	1.000	1.000

Farmers Union Mutual Insurance Company
Allocation of Investment Income by Line of Business

	Overall Total				Homeowners Multiple Peril				Notes:
	(a)	(b)	2013	(c)	(g)	(h)	(i)	2013	
	2012	2013	Mean	Mean	2012	2013	Mean	Source - IEE	Source - A.S.
Allocation of Policyholder Surplus to Line of Business									
Direct Earned Premium	6,931	3,646			4,878	2,675		Part 3 Col 3	Statutory Page 14 Col 2
Net Earned Premium	3,358	1,507			2,616	1,088		Part 2 Col 3	U&I Part 1 Col 4 Line 35
Net Loss Reserves	287	264	276	264	274	254	264	Part 2 Col 13	U&I Part 2A Col 8 Line 35
Net LAE Reserves	28	7	18	17	28	6	17	Part 2 Cols 15 & 17	U&I Part 2A Col 9 Line 35
Net Loss & LAE Reserves	315	271	293	281	302	260	281		= (3) + (4)
Net Unearned Premium Reserves	600	1,714	1,157	853	456	1,250	853	Part 2 Col 19	U&I Part 1A Col 5 Line 35
Mean Reserves & Current Premium			2,957	2,222					= (2) + (5) + (6)
Policyholder's Surplus (000)	1,495	1,916	1,706	57.67%				Page 3 Line 35	= (8) / (7)
Policyholder Surplus Ratio to Liabilities & Net Earned Prem			57.67%				57.67%		= (7) * (9)
Allocated Policyholder Surplus			1,706	1,282			1,282		= (2) / (10)
Net Earned Premium / Surplus Ratio			0.884	0.85			0.85		
Calculation of Investment Gain Ratio									
Net Investment Income Earned	66	49						Page 4 Line 9	= (12) + (13)
Net Realized Capital Gains or (Losses)	(1)	0						Page 4 Line 10	
Net Investment Gain or (Loss)	66	49							= (5) + (6)
Net Loss & LAE & Unearned Premium Reserves	915	1,985	1,450	1,134	758	1,510	1,134	Pg 3 Col 1 Line 13	
Net Agents' Balances	0	0	-	-	0	0	-		
Funds held by company under reinsurance treaties	600	1,714	-	-					
Policyholder's Surplus			1,706	1,282			1,282		= (10)
Total Investable Funds			3,156	2,416			2,416		= (15) - (16) + (17) + (18)
Net Investment Gain / Total Investable Funds Ratio			0.015	0.015			0.015		= (14) / (19)
Calculation Of Prepaid Expense Ratio									
Commissions	44	419			28	300		U&I Part 3 Col 2 Line 2.8	
Taxes, Licenses & Fees	129	134			82	96		U&I Part 3 Col 2 Line 20.5	
Other Acquisition Expense	0	0			0	0		IEE Part 1 Col 2 Line 25	
General Expense	1,668	822	1,062	590	1,062	590		IEE Part 1 Col 3 Line 25	
Net Prepaid Expense	1,007	964	641	691	641	691			
Net Written Premium	1,748	2,621	1,115	1,882	1,115	1,882			= (21)+(22)+(23)+(0.5 * (24))
Prepaid Expense Ratio	57.61%	36.78%		36.72%	57.49%	36.72%			= (25) / (26)
Investment Gain on Funds Attributable to Insurance Transactions									
Net Unearned Premium Reserves	600	1,714	1,157	853	456	1,250			= (6)
(1 - Prepaid Expense ratio)			0.6322	0.6328					= 1.00 - (27)
Unpaid Unearned Premium Reserve			731	540					= (28) * (29)
Net Loss & LAE Reserves	315	271	293	281	302	260			= (5)
Net Agents' Balances	-	-	1,025	-	-	-			= (16)
Investment Funds Attributable to Insurance Transactions			0.015	0.015					= (30) + (31) - (32)
Net Investment Gain Ratio			15	12					= (20)
Investment Gain on Funds Attributable to Insurance Transactions			0.9%	0.9%					= (33) * (34)
Investment Gain on Funds Attributable to Capital & Surplus									
Total Investable Funds			3,156	2,416					= (19)
Net Investment Gain Ratio			0.015	0.015					= (20)
Total Investment Gain			47	36					= (36) * (37)
Investment Gain On Funds Attributable to Insurance Transactions			15	12					= (35)
Investment Gain on Funds Attributable to Capital & Surplus			32	24					= (38) - (39)
Inv Gain on Funds Attrib to Capital & Surplus / DEP			0.9%	0.9%					= (40) / (1)
Investment Income Attributable to Insurance Transactions									
(As a % of Net Earned Premium)			1.0%	1.1%					= (35) / (2)
(As a % of Direct Earned Premium) - pre-tax			35.0%	35.0%					= (35) / (1)
Latest Federal Income Tax Rate			0.3%	0.3%					= (1.00 - (44)) * (43)
(As a % of Direct Earned Premium) - after-tax			1.3%	1.4%					= (38) / (1)
Total Investment Income (% of Direct Earned Premium - pre-tax)									
								AS Pg 4 Col 1 Line 19/18	

Farmers Union Mutual Insurance Company
Selected Expense Provisions and Development of Expected Loss and LAE Ratio

Item	2009	2010	2011	2012	2013	2009-13 Selected	
(1) Written Premium	5,216	7,312	7,045	2,902	2,655	25,130	
(2) Earned Premium	5,318	6,176	7,113	4,878	2,675	26,160	
(3) Commission and Brokerage Incurred	644	388	184	27	299	1,542	
(4) Other Acquisition Expenses Incurred	-	-	-	-	-	-	
(5) General Expenses Incurred	798	1,273	1,408	1,062	4	4,545	
(6) Taxes, License and Fees Incurred	78	87	228	82	96	571	
(7) Commission/Written Premium	12.3%	5.3%	2.6%	0.9%	11.3%	6.1%	15.0%
(8) Other Acq / Written Premium	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(9) Total Production Expense	12.3%	5.3%	2.6%	0.9%	11.3%	6.1%	15.0%
(10) General / Earned Premium	15.0%	20.6%	19.8%	21.8%	0.1%	17.4%	17.4%
(11) Taxes, Lic & Fees / Written Premium	1.5%	1.2%	3.2%	2.8%	3.6%	2.3%	3.0%
(12) Net Cost of Reinsurance							0.8%
(13) Profit Provision							5.0%
(14) Investment Income							1.4%
(15) Total Expenses and Profit (less investment income)							39.8%
(16) Expected Loss and LAE Ratio							60.2%

Notes

- (1) - (3) The figures for 2009 come from 2009 Statutory Page 14
The figures for 2010-2013 come from respective years Insurance Expense Exhibits Part III
- (4) Insurance Expense Exhibit Part III Col 27
(5) Insurance Expense Exhibit Part III Col 29
(6) Insurance Expense Exhibit Part III Col 25
(7) = (3) / (1)
(8) = (4) / (1)
(9) = (7) + (8)
(10) = (5) / (2)
(11) = (6) / (1)
(12) Exhibit I Page 3 Last Line = Ceded Pre-tax Profit / Direct Earned Premium (2009-2013)
(13) traditional profit and contingency provision
(14) Exhibit IV Line 46
(15) = (9) + (10) + (11) + (12) + (13) - (14)
(16) = 100% - (15)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Calendar Accident Year	Direct & Assumed Earned Premium (000)	Exposure Trend Factor	On-Level Earned Premium (000)	Developed & Trended Incurred Non- Catastrophe Losses (000)	Onlevel Developed & Trended Non- Catastrophe Loss Ratio	Weights
2004	1,784	1.375	2,453	1,999	0.815	
2005	3,165	1.375	4,352	3,162	0.727	
2006	4,421	1.375	6,079	5,805	0.955	
2007	4,626	1.375	6,361	4,328	0.680	
2008	5,272	1.375	7,249	12,345	1.703	
2009	5,354	1.375	7,362	7,052	0.958	10%
2010	6,206	1.157	7,183	5,059	0.704	15%
2011	7,139	1.000	7,139	11,193	1.568	20%
2012	4,894	1.000	4,894	4,767	0.974	25%
2013	2,694	1.000	2,694	1,685	0.626	30%
totals	45,555		55,765	57,395	1.029	
		2009-2013 Non-Cat	Onlevel	Loss Ratio	1.017	
		Weighted Average Non-Cat	Loss Ratio	0.946		
(8)	Selected Non-Catastrophe	Loss Ratio			0.946	
	Cat Model A/	RMS	AIR	Average		
		267,497	306,419	286,958		
(9)	Modeled Catastrophe Loading				1.107	
(10)	LAE Factor				1.054	
(11)	Projected Loss and LAE Ratio				0.998	
(12)	Incurred Claims				9,496	
(13)	Credibility				95%	
(14)	Permissible Loss & LAE Ratio				0.602	
(15)	Credibility weighted formula loss & LAE ratio				0.976	
(16)	Indication				62.1%	

- (2) FUMIC 2013 Schedule P Part 1A Col 1
- (3) Exhibit 6 Page 2 Col (6)
- (4) = (2) x (3)
- (5) Exhibit 6 Page 3 Col (10)
- (6) = (5) / (4)
- (9) (Average Modeled Catastrophe AAL / Latest Year Earned Premium) + 1.0
- (10) Exhibit VI Page 4 Col (6)
- (11) = (8) * ~~(9)~~ * (10)
- (12) Exhibit VI Page 5
- (13) Based on the square root rule with a full credibility standard of 10,623 claims.
- (14) Exhibit V
- (15) = ((11) x (13)) + ((14) x (1.0 - (13)))
- (16) = ((15) / (14)) - 1.0

**Farmers Union Mutual Insurance Company
Arkansas - Homeowners**

	(1)	(2)	(3)	(4)	(5)	(6)
Year	Rate Change	Effective Date	Exposure Valuation Change	Effective Date	Earned Rate Index	Onlevel Factor
2004					1.000	1.375
2005					1.000	1.375
2006					1.000	1.375
2007					1.000	1.375
2008					1.000	1.375
2009					1.000	1.375
2010			37.5%	1/1/2010	1.188	1.157
2011					1.375	1.000
2012					1.375	1.000
2013					1.375	1.000

Notes

- (1) NONE
- (2) n/a
- (3) The 37.5% was the increase that resulted when the Company standardized the valuation of Coverage A throughout its Homeowners book of business in 2010.
- (4) Beginning with policies effective 1/1/2010 and after, the company required that all HO2 policies be insured at a minimum of \$60 per square foot.
- (5) Since this was implemented as policies were written or renewed in 2010 only half of the increase was earned in 2010. resulting in the earned average rate level shown for 2010 with the full increase affecting subsequent calendar year's earned premium.
There have been no subsequent valuation changes for the FUMIC book of HO2 Homeowners business.
- (6) = (current earned rate index) / (3)

**Farmers Union Mutual Insurance Company
Incurred Loss Adjustments - Catastrophe Removal, Development & Trend**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Direct & Assumed				Non-Cat	Loss	Loss		Developed
		Case	Case	Catastrophe	Case	Trend	Trend	Loss	& Trended
Accident	Paid	Outstanding	Incurred	Losses	Incurred	Period	Factor	Development	Non-Cat
Year	Losses	12/31/2013	12/31/2013		Losses	Prop Eff	2.8%	Factor	Incurred
2004	1,472	0	1,472	85	1,472	10.92	135.8%	1.000	1,999
2005	2,394	0	2,394	320	2,394	9.92	132.1%	1.000	3,162
2006	4,520	0	4,520	1,170	4,520	8.92	128.4%	1.000	5,805
2007	3,466	0	3,466	923	3,466	7.92	124.9%	1.000	4,328
2008	10,167	0	10,167	6,394	10,167	6.92	121.4%	1.000	12,345
2009	5,973	0	5,973	1,244	5,973	5.92	118.1%	1.000	7,052
2010	4,398	0	4,398	0	4,398	4.92	114.8%	1.002	5,059
2011	10,001	7	10,008	1,034	10,008	3.92	111.6%	1.002	11,193
2012	4,328	51	4,379	0	4,379	2.92	108.5%	1.003	4,767
2013	1,435	111	1,546	0	1,546	1.92	105.5%	1.033	1,685
	48,154	169	48,323	11,164	48,323				57,395
	Case Incurred / Non-Cat Case Incurred				1.00				

Notes

- (2) FUMIC 2013 Schedule P Part 1A Col (4)
- (3) FUMIC 2013 Schedule P Part 1A Col (13)
- (4) = (2) + (3)
- (5) 2004-2007 FUMIC IEE Part III minus Part II Incurred Losses
2008-2013 - Gen Re summary of Property Catastrophe Reinsurance Program Experience
- (6) = (4) - (5)
- (7) Mid point of each accident year to mid-point prospective policy year.
- (8) = (1 + annual trend) ^ (7)
- See Exhibit VI Page 5 for the development of the annual loss trend percentage.
- (9) Exhibit III page 4
- (10) = (6) x (8) x (9)

Farmers Union Mutual Insurance Company
Incurred Loss Adjustments - Catastrophe Removal, Development & Trend

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Direct & Assumed				Non-Cat	Loss	Loss		Developed
	Case		Case		Case	Trend	Trend	Loss	& Trended
Accident	Paid	Outstanding	Incurred	Catastrophe	Incurred	Period	Factor	Development	Non-Cat
Year	Losses	12/31/2013	12/31/2013	Losses	Losses	Prop Eff	2.8%	Factor	Incurred
						6/1/2014			Losses
2004	1,472	0	1,472	85	1,387	10.92	135.8%	1.000	1,884
2005	2,394	0	2,394	320	2,074	9.92	132.1%	1.000	2,739
2006	4,520	0	4,520	1,170	3,350	8.92	128.4%	1.000	4,302
2007	3,466	0	3,466	923	2,543	7.92	124.9%	1.000	3,175
2008	10,167	0	10,167	6,391	3,776	6.92	121.4%	1.000	4,584
2009	5,973	0	5,973	1,244	4,729	5.92	118.1%	1.000	5,583
2010	4,398	0	4,398	0	4,398	4.92	114.8%	1.002	5,059
2011	10,001	7	10,008	1,031	8,977	3.92	111.6%	1.002	10,041
2012	4,328	51	4,379	0	4,379	2.92	108.5%	1.003	4,767
2013	1,435	111	1,546	0	1,546	1.92	105.5%	1.033	1,685
	48,154	169	48,323	11,164	37,159				43,820
Case Incurred / Non-Cat Case Incurred					1.30				

Notes

- (2) FUMIC 2013 Schedule P Part 1A Col (4)
- (3) FUMIC 2013 Schedule P Part 1A Col (13)
- (4) = (2) + (3)
- (5) 2004-2007 FUMIC IEE Part III minus Part II Incurred Losses
2008-2013 - Gen Re summary of Property Catastrophe Reinsurance Program Experience
- (6) = (4) - (5)
- (7) Mid point of each accident year to mid-point prospective policy year.
- (8) = $(1 + \text{annual trend}) ^ (7)$
See Exhibit VI Page 5 for the development of the annual loss trend percentage.
- (9) Exhibit III page 4
- (10) = (6) x (8) x (9)

Farmers Union Mutual Insurance Company
(includes data from Town and Country Mutual Insurance Company)
Homeowners
Loss Adjustment Expense

Accident Year	(1) Paid Losses	(2) Paid DCC LAE	(3) Paid A&O LAE	(4) LAE Ratio
2005	2,394	0	64	2.7%
2006	4,520	0	147	3.3%
2007	3,466	0	129	3.7%
2008	10,167	0	474	4.7%
2009	5,973	0	267	4.5%
2010	4,398	0	197	4.5%
2011	10,001	0	646	6.5%
2012	4,328	0	243	5.6%
2013	1,435	0	69	4.8%
Totals	46,682	0	2,236	4.8%
(5)	Selected (latest 5 years) LAE Ratio			5.4%
(6)	LAE Factor			1.054

Notes:

- (1) Calendar/accident year paid data - 2013 Schedule P Part 1A Col 4
- (2) Calendar/accident year paid data - 2013 Schedule P Part 1A Col 6
- (3) Calendar/accident year paid data - 2013 Schedule P Part 1A Col 8
- (4) = ((2)+(3)) / (1)
- (6) = 1.00 + (5)

Farmers Union Mutual Insurance Company
Homeowners
Claim Severity Trend

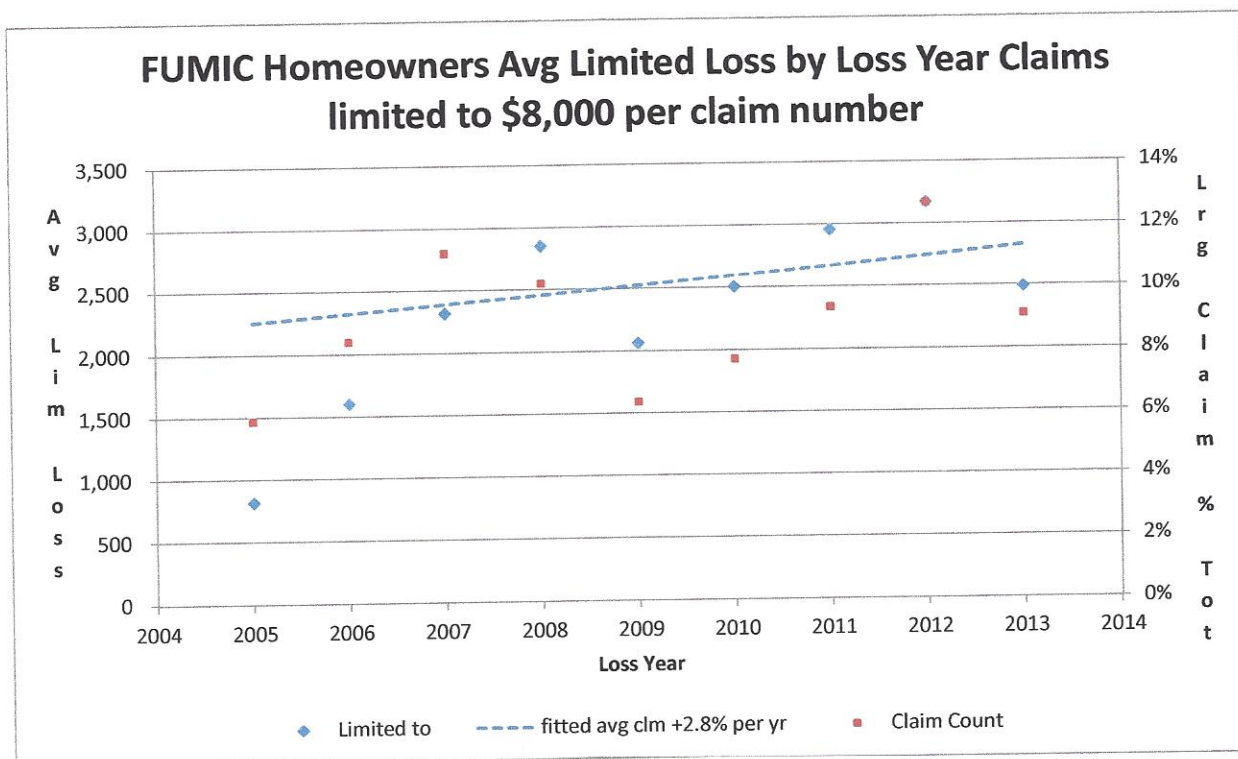
This exhibit displays claim severity trend data and selected annual claim severity trend provision.

A claim transaction detail file was analyzed to determine claim severity trend.
The file contained 16,379 claim transactions between 2/25/2005 and 12/23/2013.

These transactions arose from 9,496 unique claim numbers and generated \$50,597,857 in incurred losses. The total amount of loss after limiting individual claim amounts to \$8,000 was \$24,862,576. During this period there were 875 claims that exceeded \$8,000.

Loss Yr	Total Amount with Claims Limited to \$8,000 per claim	# of Claims	Average Loss Limited to \$8,000 per claim	Large Claim % of Total Claim Count
2005	13,924	17	819	5.9%
2006	343,603	214	1,606	8.4%
2007	1,821,792	785	2,321	11.2%
2008	8,540,690	2,991	2,855	10.2%
2009	3,828,687	1,852	2,067	6.4%
2010	2,597,849	1,036	2,508	7.7%
2011	4,877,227	1,648	2,959	9.3%
2012	2,153,515	678	3,176	12.7%
2013	685,288	275	2,492	9.1%

9,496
est annual trend 2.8%



Farmers Union Mutual Insurance Company

Proposed HO2 Base Rates = Current Base Rates +25%

\$1,000 Deductible

Proposed Effective Date: June 1, 2014

Dwelling Coverage A Amount	Public Protection Class									
	1	2	3	4	5	6	7	8	9	10
50,000	464	464	464	464	489	515	601	706	741	890
51,000	475	475	475	475	501	528	615	724	760	913
52,000	486	486	486	486	513	540	630	740	778	933
53,000	498	498	498	498	525	553	645	756	794	953
54,000	508	508	508	508	535	564	660	775	814	976
55,000	520	520	520	520	549	578	674	793	833	999
56,000	533	533	533	533	561	591	690	810	850	1,020
57,000	544	544	544	544	574	604	705	828	869	1,043
58,000	554	554	554	554	584	615	720	846	889	1,066
59,000	566	566	566	566	598	629	735	865	909	1,090
60,000	579	579	579	579	610	643	751	883	926	1,111
61,000	588	588	588	588	620	653	763	896	941	1,130
62,000	596	596	596	596	630	663	774	909	954	1,145
63,000	604	604	604	604	638	671	784	921	968	1,161
64,000	613	613	613	613	646	680	796	933	979	1,175
65,000	620	620	620	620	654	689	806	945	993	1,191
66,000	628	628	628	628	663	698	816	956	1,004	1,205
67,000	636	636	636	636	673	708	828	968	1,016	1,220
68,000	645	645	645	645	680	716	839	980	1,029	1,235
69,000	651	651	651	651	688	724	849	990	1,040	1,248
70,000	659	659	659	659	696	733	859	1,001	1,051	1,261
71,000	668	668	668	668	704	741	869	1,014	1,065	1,278
72,000	675	675	675	675	713	750	880	1,024	1,075	1,290
73,000	683	683	683	683	721	759	890	1,035	1,086	1,304
74,000	690	690	690	690	728	766	900	1,048	1,100	1,320
75,000	698	698	698	698	736	775	910	1,058	1,110	1,333
76,000	704	704	704	704	744	783	921	1,068	1,121	1,345
77,000	714	714	714	714	753	793	931	1,079	1,133	1,359
78,000	720	720	720	720	760	800	941	1,090	1,145	1,374
79,000	728	728	728	728	769	809	950	1,100	1,155	1,386
80,000	735	735	735	735	775	816	961	1,111	1,166	1,400
81,000	741	741	741	741	783	824	971	1,120	1,176	1,411
82,000	750	750	750	750	793	834	980	1,130	1,186	1,424
83,000	758	758	758	758	799	841	990	1,143	1,200	1,440
84,000	764	764	764	764	806	849	999	1,151	1,209	1,450
85,000	769	769	769	769	811	854	1,008	1,160	1,218	1,461
86,000	775	775	775	775	819	861	1,018	1,171	1,230	1,476
87,000	783	783	783	783	825	869	1,026	1,181	1,240	1,488
88,000	790	790	790	790	834	878	1,036	1,190	1,250	1,500
89,000	795	795	795	795	840	884	1,043	1,201	1,261	1,514
90,000	801	801	801	801	845	890	1,053	1,210	1,270	1,524

Farmers Union Mutual Insurance Company
Proposed HO2 Base Rates = Current Base Rates +25%
\$1,000 Deductible
Proposed Effective Date: June 1, 2014

Dwelling Coverage A Amount	Public Protection Class									
	1	2	3	4	5	6	7	8	9	10
91,000	808	808	808	808	853	898	1,063	1,220	1,281	1,538
92,000	815	815	815	815	860	905	1,071	1,230	1,291	1,550
93,000	819	819	819	819	865	910	1,078	1,239	1,301	1,561
94,000	829	829	829	829	875	921	1,086	1,246	1,309	1,570
95,000	833	833	833	833	879	925	1,096	1,258	1,320	1,584
96,000	839	839	839	839	886	933	1,105	1,266	1,330	1,596
97,000	844	844	844	844	891	938	1,111	1,271	1,335	1,603
98,000	851	851	851	851	899	946	1,120	1,278	1,341	1,610
99,000	856	856	856	856	904	951	1,129	1,284	1,348	1,618
100,000	860	860	860	860	908	955	1,136	1,290	1,355	1,626
101,000	869	869	869	869	916	965	1,148	1,303	1,369	1,643
102,000	878	878	878	878	925	974	1,159	1,315	1,381	1,658
103,000	885	885	885	885	935	984	1,170	1,329	1,395	1,674
104,000	894	894	894	894	944	993	1,181	1,341	1,408	1,689
105,000	903	903	903	903	953	1,003	1,193	1,354	1,421	1,705
106,000	911	911	911	911	961	1,013	1,204	1,366	1,435	1,723
107,000	920	920	920	920	970	1,021	1,215	1,379	1,449	1,739
108,000	928	928	928	928	980	1,031	1,225	1,393	1,461	1,754
109,000	936	936	936	936	989	1,040	1,236	1,405	1,475	1,770
110,000	945	945	945	945	998	1,050	1,248	1,418	1,489	1,786
111,000	954	954	954	954	1,006	1,060	1,259	1,430	1,501	1,801
112,000	963	963	963	963	1,015	1,069	1,270	1,443	1,515	1,818
113,000	970	970	970	970	1,025	1,079	1,283	1,455	1,528	1,833
114,000	979	979	979	979	1,034	1,088	1,294	1,468	1,541	1,850
115,000	988	988	988	988	1,043	1,098	1,305	1,480	1,554	1,865
116,000	996	996	996	996	1,051	1,108	1,316	1,493	1,568	1,881
117,000	1,005	1,005	1,005	1,005	1,060	1,116	1,328	1,505	1,581	1,898
118,000	1,013	1,013	1,013	1,013	1,070	1,126	1,338	1,519	1,594	1,913
119,000	1,021	1,021	1,021	1,021	1,079	1,135	1,349	1,531	1,608	1,929
120,000	1,030	1,030	1,030	1,030	1,088	1,145	1,360	1,544	1,621	1,945
121,000	1,039	1,039	1,039	1,039	1,096	1,155	1,371	1,556	1,634	1,960
122,000	1,048	1,048	1,048	1,048	1,105	1,164	1,383	1,569	1,648	1,978
123,000	1,056	1,056	1,056	1,056	1,115	1,174	1,394	1,581	1,660	1,993
124,000	1,065	1,065	1,065	1,065	1,124	1,183	1,405	1,594	1,674	2,009
125,000	1,074	1,074	1,074	1,074	1,133	1,193	1,416	1,606	1,686	2,024
126,000	1,083	1,083	1,083	1,083	1,141	1,203	1,428	1,619	1,700	2,040
127,000	1,091	1,091	1,091	1,091	1,150	1,211	1,439	1,631	1,713	2,055
128,000	1,099	1,099	1,099	1,099	1,160	1,221	1,449	1,644	1,726	2,071
129,000	1,108	1,108	1,108	1,108	1,169	1,230	1,460	1,656	1,739	2,086
130,000	1,116	1,116	1,116	1,116	1,178	1,240	1,471	1,669	1,753	2,103
131,000	1,125	1,125	1,125	1,125	1,186	1,250	1,483	1,681	1,765	2,118

Farmers Union Mutual Insurance Company

Proposed HO2 Base Rates = Current Base Rates +25%

\$1,000 Deductible

Proposed Effective Date: June 1, 2014

Dwelling Coverage A Amount	Public Protection Class									
	1	2	3	4	5	6	7	8	9	10
132,000	1,134	1,134	1,134	1,134	1,196	1,259	1,494	1,694	1,779	2,135
133,000	1,141	1,141	1,141	1,141	1,205	1,269	1,505	1,706	1,791	2,150
134,000	1,150	1,150	1,150	1,150	1,215	1,278	1,516	1,719	1,805	2,166
135,000	1,159	1,159	1,159	1,159	1,224	1,288	1,528	1,731	1,818	2,181
136,000	1,168	1,168	1,168	1,168	1,233	1,298	1,539	1,744	1,831	2,198
137,000	1,176	1,176	1,176	1,176	1,241	1,306	1,549	1,756	1,844	2,213
138,000	1,184	1,184	1,184	1,184	1,251	1,316	1,560	1,769	1,858	2,229
139,000	1,193	1,193	1,193	1,193	1,260	1,325	1,570	1,781	1,870	2,244
140,000	1,201	1,201	1,201	1,201	1,269	1,335	1,581	1,794	1,884	2,260
141,000	1,210	1,210	1,210	1,210	1,278	1,345	1,593	1,806	1,896	2,275
142,000	1,219	1,219	1,219	1,219	1,286	1,354	1,604	1,819	1,909	2,290
143,000	1,226	1,226	1,226	1,226	1,296	1,364	1,614	1,830	1,923	2,308
144,000	1,235	1,235	1,235	1,235	1,305	1,373	1,625	1,843	1,935	2,323
145,000	1,244	1,244	1,244	1,244	1,314	1,383	1,636	1,855	1,948	2,338
146,000	1,253	1,253	1,253	1,253	1,323	1,393	1,648	1,868	1,961	2,354
147,000	1,261	1,261	1,261	1,261	1,331	1,401	1,659	1,880	1,974	2,369
148,000	1,270	1,270	1,270	1,270	1,341	1,411	1,670	1,893	1,988	2,385
149,000	1,279	1,279	1,279	1,279	1,350	1,420	1,681	1,905	2,000	2,400
150,000	1,288	1,288	1,288	1,288	1,359	1,430	1,693	1,918	2,014	2,416
151,000	1,294	1,294	1,294	1,294	1,365	1,436	1,700	1,926	2,023	2,428
152,000	1,299	1,299	1,299	1,299	1,371	1,443	1,708	1,935	2,031	2,438
153,000	1,305	1,305	1,305	1,305	1,378	1,450	1,716	1,944	2,041	2,450
154,000	1,310	1,310	1,310	1,310	1,384	1,456	1,724	1,953	2,050	2,460
155,000	1,316	1,316	1,316	1,316	1,390	1,463	1,731	1,961	2,059	2,470
156,000	1,323	1,323	1,323	1,323	1,396	1,469	1,739	1,970	2,068	2,481
157,000	1,328	1,328	1,328	1,328	1,403	1,475	1,746	1,979	2,076	2,491
158,000	1,334	1,334	1,334	1,334	1,408	1,483	1,754	1,986	2,086	2,504
159,000	1,339	1,339	1,339	1,339	1,414	1,489	1,761	1,995	2,095	2,514
160,000	1,345	1,345	1,345	1,345	1,420	1,495	1,769	2,004	2,104	2,525
161,000	1,351	1,351	1,351	1,351	1,426	1,501	1,776	2,013	2,113	2,535
162,000	1,356	1,356	1,356	1,356	1,433	1,508	1,784	2,021	2,121	2,545
163,000	1,363	1,363	1,363	1,363	1,438	1,514	1,791	2,029	2,131	2,558
164,000	1,368	1,368	1,368	1,368	1,444	1,520	1,799	2,038	2,140	2,568
165,000	1,374	1,374	1,374	1,374	1,450	1,526	1,806	2,046	2,149	2,579
166,000	1,379	1,379	1,379	1,379	1,456	1,533	1,814	2,055	2,158	2,589
167,000	1,385	1,385	1,385	1,385	1,461	1,539	1,821	2,063	2,166	2,600
168,000	1,390	1,390	1,390	1,390	1,468	1,544	1,828	2,071	2,175	2,610
169,000	1,396	1,396	1,396	1,396	1,473	1,550	1,835	2,079	2,184	2,620
170,000	1,401	1,401	1,401	1,401	1,479	1,556	1,843	2,088	2,193	2,631
171,000	1,406	1,406	1,406	1,406	1,485	1,563	1,850	2,095	2,201	2,641
172,000	1,411	1,411	1,411	1,411	1,490	1,569	1,856	2,104	2,209	2,650

Farmers Union Mutual Insurance Company

Proposed HO2 Base Rates = Current Base Rates +25%

\$1,000 Deductible

Proposed Effective Date: June 1, 2014

Dwelling Coverage A Amount	Public Protection Class									
	1	2	3	4	5	6	7	8	9	10
173,000	1,418	1,418	1,418	1,418	1,496	1,574	1,864	2,111	2,218	2,661
174,000	1,423	1,423	1,423	1,423	1,501	1,580	1,870	2,120	2,225	2,670
175,000	1,428	1,428	1,428	1,428	1,508	1,586	1,878	2,128	2,234	2,680
176,000	1,433	1,433	1,433	1,433	1,513	1,593	1,884	2,135	2,243	2,691
177,000	1,438	1,438	1,438	1,438	1,518	1,598	1,891	2,143	2,250	2,700
178,000	1,444	1,444	1,444	1,444	1,524	1,604	1,898	2,151	2,259	2,710
179,000	1,449	1,449	1,449	1,449	1,529	1,609	1,905	2,159	2,266	2,720
180,000	1,454	1,454	1,454	1,454	1,534	1,615	1,911	2,166	2,275	2,730
181,000	1,459	1,459	1,459	1,459	1,539	1,621	1,918	2,174	2,283	2,739
182,000	1,464	1,464	1,464	1,464	1,545	1,626	1,925	2,181	2,290	2,748
183,000	1,470	1,470	1,470	1,470	1,550	1,633	1,931	2,189	2,299	2,759
184,000	1,475	1,475	1,475	1,475	1,556	1,638	1,939	2,196	2,306	2,768
185,000	1,480	1,480	1,480	1,480	1,561	1,644	1,945	2,204	2,314	2,776
186,000	1,485	1,485	1,485	1,485	1,566	1,649	1,951	2,211	2,321	2,785
187,000	1,490	1,490	1,490	1,490	1,571	1,655	1,958	2,219	2,330	2,796
188,000	1,494	1,494	1,494	1,494	1,578	1,660	1,965	2,226	2,338	2,805
189,000	1,499	1,499	1,499	1,499	1,583	1,666	1,971	2,234	2,346	2,815
190,000	1,504	1,504	1,504	1,504	1,588	1,671	1,978	2,241	2,354	2,825
191,000	1,509	1,509	1,509	1,509	1,593	1,676	1,984	2,249	2,361	2,834
192,000	1,514	1,514	1,514	1,514	1,598	1,681	1,990	2,256	2,369	2,843
193,000	1,518	1,518	1,518	1,518	1,603	1,688	1,996	2,263	2,376	2,851
194,000	1,523	1,523	1,523	1,523	1,608	1,693	2,003	2,270	2,384	2,860
195,000	1,528	1,528	1,528	1,528	1,613	1,698	2,009	2,278	2,391	2,870
196,000	1,533	1,533	1,533	1,533	1,618	1,703	2,015	2,285	2,399	2,879
198,000	1,541	1,541	1,541	1,541	1,628	1,714	2,028	2,299	2,414	2,896
200,000	1,551	1,551	1,551	1,551	1,638	1,724	2,040	2,313	2,429	2,915

State:	Arkansas	Filing Company:	Farmers Union Mutual Insurance Co
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Homeowners		
Project Name/Number:	0064 HO 2 Rate Change/0064 HO RA		

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
05/09/2014		Supporting Document	Filing Exhibit VI	05/19/2014	Filing Exhibit VI.pdf (Superceded)
05/07/2014		Supporting Document	NAIC loss cost data entry document	05/19/2014	0064 03 14 10 Loss Cost Data Entry Form.pdf (Superceded)
05/07/2014		Supporting Document	H-1 Homeowners Abstract	05/14/2014	H-1 ed1-06.pdf (Superceded)

**Farmers Union Mutual Insurance Company
Arkansas - Homeowners
Rate Indication**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Calendar Accident Year	Direct & Assumed Earned Premium (000)	Exposure Trend Factor	On-Level Earned Premium (000)	Developed & Trended Incurred Non- Catastrophe Losses (000)	Onlevel Developed & Trended Non- Catastrophe Loss Ratio	Weights
2004	1,784	1.375	2,453	1,884	0.768	
2005	3,165	1.375	4,352	2,739	0.629	
2006	4,421	1.375	6,079	4,302	0.708	
2007	4,626	1.375	6,361	3,175	0.499	
2008	5,272	1.375	7,249	4,584	0.632	
2009	5,354	1.375	7,362	5,583	0.758	10%
2010	6,206	1.157	7,183	5,059	0.704	15%
2011	7,139	1.000	7,139	10,041	1.406	20%
2012	4,894	1.000	4,894	4,767	0.974	25%
2013	2,694	1.000	2,694	1,685	0.626	30%
totals	45,555		55,765	43,820	0.786	
					2009-2013 Non-Cat Onlevel Loss Ratio	0.927
					Weighted Average Non-Cat Loss Ratio	0.894
(8)	Selected Non-Catastrophe Loss Ratio				0.894	
	Cat Model A/	RMS	AIR	Average		
		267,497	306,419	286,958		
(9)	Modeled Catastrophe Loading				1.107	
(10)	LAE Factor				1.054	
(11)	Projected Loss and LAE Ratio				1.043	
(12)	Incurred Claims				9,496	
(13)	Credibility				95%	
(14)	Permissible Loss & LAE Ratio				0.602	
(15)	Credibility weighted formula loss & LAE ratio				1.019	
(16)	Indication				69.2%	

Notes

- (2) FUMIC 2013 Schedule P Part 1A Col 1
- (3) Exhibit 6 Page 2 Col (6)
- (4) = (2) x (3)
- (5) Exhibit 6 Page 3 Col (10)
- (6) = (5) / (4)
- (9) (Average Modeled Catastrophe AAL / Latest Year Earned Premium) + 1.0
- (10) Exhibit VI Page 4 Col (6)
- (11) = (8) * (9) * (10)
- (12) Exhibit VI Page 5
- (13) Based on the square root rule with a full credibility standard of 10,623 claims.
- (14) Exhibit V
- (15) = ((11) x (13)) + ((14) x (1.0 - (13)))
- (16) = ((15) / (14)) - 1.0

**Farmers Union Mutual Insurance Company
Arkansas - Homeowners**

	(1)	(2)	(3)	(4)	(5)	(6)
Year	Rate Change	Effective Date	Exposure Valuation Change	Effective Date	Earned Rate Index	Onlevel Factor
2004					1.000	1.375
2005					1.000	1.375
2006					1.000	1.375
2007					1.000	1.375
2008					1.000	1.375
2009					1.000	1.375
2010			37.5%	1/1/2010	1.188	1.157
2011					1.375	1.000
2012					1.375	1.000
2013					1.375	1.000

Notes

- (1) NONE
- (2) n/a
- (3) The 37.5% was the increase that resulted when the Company standardized the valuation of Coverage A throughout its Homeowners book of business in 2010.
- (4) Beginning with policies effective 1/1/2010 and after, the company required that all HO2 policies be insured at a minimum of \$60 per square foot.
- (5) Since this was implemented as policies were written or renewed in 2010 only half of the increase was earned in 2010. resulting in the earned average rate level shown for 2010 with the full increase affecting subsequent calendar year's earned premium.
There have been no subsequent valuation changes for the FUMIC book of HO2 Homeowners business.
- (6) = (current earned rate index) / (3)

Farmers Union Mutual Insurance Company
Incurred Loss Adjustments - Catastrophe Removal, Development & Trend

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Direct & Assumed				Non-Cat	Loss	Loss		Developed
		Case	Case		Case	Trend	Trend	Loss	& Trended
Accident	Paid	Outstanding	Incurred	Catastrophe	Incurred	Period	Factor	Development	Non-Cat
Year	Losses	12/31/2013	12/31/2013	Losses	Losses	Prop Eff	2.8%	Factor	Incurred
						6/1/2014			Losses
2004	1,472	0	1,472	85	1,387	10.92	135.8%	1.000	1,884
2005	2,394	0	2,394	320	2,074	9.92	132.1%	1.000	2,739
2006	4,520	0	4,520	1,170	3,350	8.92	128.4%	1.000	4,302
2007	3,466	0	3,466	923	2,543	7.92	124.9%	1.000	3,175
2008	10,167	0	10,167	6,391	3,776	6.92	121.4%	1.000	4,584
2009	5,973	0	5,973	1,244	4,729	5.92	118.1%	1.000	5,583
2010	4,398	0	4,398	0	4,398	4.92	114.8%	1.002	5,059
2011	10,001	7	10,008	1,031	8,977	3.92	111.6%	1.002	10,041
2012	4,328	51	4,379	0	4,379	2.92	108.5%	1.003	4,767
2013	1,435	111	1,546	0	1,546	1.92	105.5%	1.033	1,685
	48,154	169	48,323	11,164	37,159				43,820
Case Incurred / Non-Cat Case Incurred					1.30				

Notes

- (2) FUMIC 2013 Schedule P Part 1A Col (4)
- (3) FUMIC 2013 Schedule P Part 1A Col (13)
- (4) = (2) + (3)
- (5) 2004-2007 FUMIC IEE Part III minus Part II Incurred Losses
2008-2013 - Gen Re summary of Property Catastrophe Reinsurance Program Experience
- (6) = (4) - (5)
- (7) Mid point of each accident year to mid-point prospective policy year.
- (8) = $(1 + \text{annual trend}) ^ (7)$
See Exhibit VI Page 5 for the development of the annual loss trend percentage.
- (9) Exhibit III page 4
- (10) = (6) x (8) x (9)

Farmers Union Mutual Insurance Company
(includes data from Town and Country Mutual Insurance Company)
Homeowners
Loss Adjustment Expense

Accident Year	(1) Paid Losses	(2) Paid DCC LAE	(3) Paid A&O LAE	(4) LAE Ratio
2005	2,394	0	64	2.7%
2006	4,520	0	147	3.3%
2007	3,466	0	129	3.7%
2008	10,167	0	474	4.7%
2009	5,973	0	267	4.5%
2010	4,398	0	197	4.5%
2011	10,001	0	646	6.5%
2012	4,328	0	243	5.6%
2013	1,435	0	69	4.8%
Totals	46,682	0	2,236	4.8%
(5)	Selected (latest 5 years) LAE Ratio			5.4%
(6)	LAE Factor			1.054

Notes:

- (1) Calendar/accident year paid data - 2013 Schedule P Part 1A Col 4
- (2) Calendar/accident year paid data - 2013 Schedule P Part 1A Col 6
- (3) Calendar/accident year paid data - 2013 Schedule P Part 1A Col 8
- (4) = ((2)+(3)) / (1)
- (6) = 1.00 + (5)

Farmers Union Mutual Insurance Company
Homeowners
Claim Severity Trend

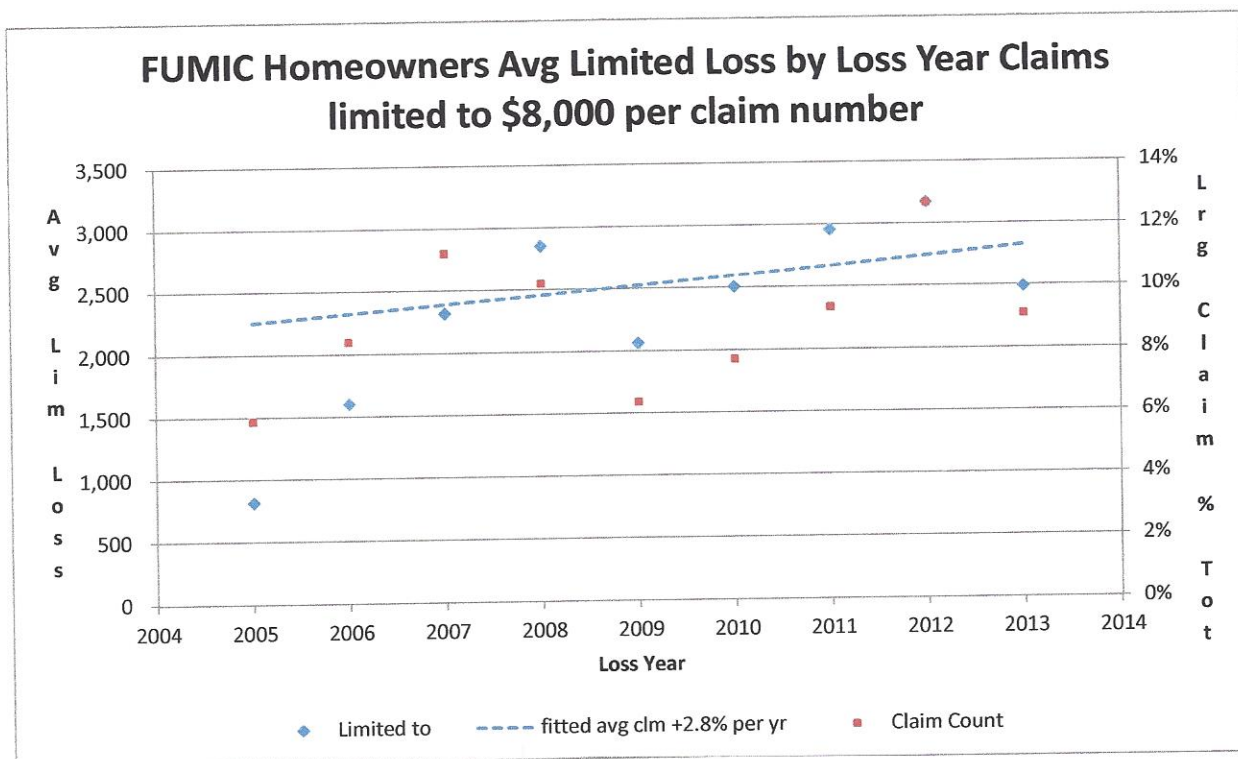
This exhibit displays claim severity trend data and selected annual claim severity trend provision.

A claim transaction detail file was analyzed to determine claim severity trend.
The file contained 16,379 claim transactions between 2/25/2005 and 12/23/2013.

These transactions arose from 9,496 unique claim numbers and generated \$50,597,857 in incurred losses. The total amount of loss after limiting individual claim amounts to \$8,000 was \$24,862,576. During this period there were 875 claims that exceeded \$8,000.

Loss Yr	Total Amount with Claims Limited to \$8,000 per claim	# of Claims	Average Loss Limited to \$8,000 per claim	Large Claim % of Total Claim Count
2005	13,924	17	819	5.9%
2006	343,603	214	1,606	8.4%
2007	1,821,792	785	2,321	11.2%
2008	8,540,690	2,991	2,855	10.2%
2009	3,828,687	1,852	2,067	6.4%
2010	2,597,849	1,036	2,508	7.7%
2011	4,877,227	1,648	2,959	9.3%
2012	2,153,515	678	3,176	12.7%
2013	685,288	275	2,492	9.1%

9,496
est annual trend 2.8%



NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	
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	Company Name		Company NAIC Number	
3.	A.		B.	

	Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A.		B.	

5.							
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
TOTAL OVERALL EFFECT							

6.							
5 Year History		Rate Change History		None	See Exhibit II		
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio

7.	
See Exhibit V	
Expense Constants	Selected Provisions
A. Total Production Expense	
B. General Expense	
C. Taxes, License & Fees	
D. Underwriting Profit * & Contingencies	
E. Other (explain) **	
F. TOTAL	

* net of I.I.

- 8.** _____ Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** _____ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____ **Net reinsurance
- 10.** _____ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

INSTRUCTIONS: All questions must be answered. If the answer is "none" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent homeowners rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name _____

NAIC # (including group #) _____

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.

3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

5. Specify the percentage given for credit or discounts for the following:

- | | |
|---|---------|
| a. Fire Extinguisher | _____ % |
| b. Burglar Alarm | _____ % |
| c. Smoke Alarm | _____ % |
| d. Insured who has both homeowners and auto with your | _____ % |

company

- | | |
|-------------------------|---------|
| e. Deadbolt Locks | _____ % |
| f. Window or Door Locks | _____ % |
| g. Other (specify) | _____ % |
| | _____ % |
| | _____ % |

6. Are there any areas in the State of Arkansas In which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.
7. Specify the form(s) utilized in writing homeowners insurance. Indicate the Arkansas premium volume for each form.

Form

Premium Volume

8. Do you write homeower risks which have aluminum, steel or vinyl siding? ☐ Yes ☐ No

9. Is there a surcharge on risks with wood heat?

If yes, state the surcharge

Does the surcharge apply to conventional fire places?

If yes, state the surcharge

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature

Printed Name

Title

Telephone Number

Email address

AID PC H-1 (1/06)